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IS IT WORTH IT?
THE EFFECT OF LOCAL HISTORIC DISTRICT DESIGNATION ON REAL
PROPERTY VALUES IN NEW ORLEANS, LOUISIANA

A Thesis

Submitted to the Graduate Faculty of the
University of New Orleans
in partial fulfillment of the
requirements for the degree of

Master of Urban and Regional Planning
in
The College of Urban and Public Affairs

by

Suzanne Perilloux Leckert

B.A. Louisiana State University, 1999

December 2004

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Abstract

This is a study of the change in property values over a ten year period, from 1993 to 2003, in New Orleans, Louisiana. Sales prices for the entire city are compared to sales prices in two locally designated historic districts and one control neighborhood. The intent of the paper is to identify the effect that local historic protections have on real property values.

Chapter 1: Introduction

Through the course of my graduate studies in Urban Planning and Historic Preservation at the University of New Orleans, when trying to understand the reasoning behind local historic district designation, I often ended up with unanswered questions. The one question that came up time and time again was this: does historic designation have a positive or negative impact on property values, and the overall health of a neighborhood? Is historic district designation worth it for individual property owners and for the municipality, or is it just for aesthetics?

The focus of this study is to determine the effect that historic district designation has on real property values within the City of New Orleans. For the purposes of this study, two local historic districts, as designated by the Historic District Landmarks Commission (HLDC) of New Orleans, have been studied: Bywater Local Historic District, and the Irish Channel Local Historic District. Using sales data from the Multiple Listing Service (MLS), all sales of residential property within the boundaries of these local historic districts from the years 1993 through 2003 were assessed. This sales data was then compared to sales data for the City of New Orleans as a whole, as well as one selected comparable neighborhood that, while included in a National Register Historic District (Uptown), does not currently have local historic status, and is therefore not under the protection of the Historic District Landmarks Commission.

Historic designation is intended to aid in the preservation of individual structures and entire areas, maintaining their historic character in the face of market forces that too often destroy the past in the name of progress for the future. When the City of Charleston, and shortly thereafter the City of New Orleans and State of Louisiana, sought to protect its built environment through the establishment of commissions for historic preservation, this was the intent. Thirty years later, the U.S. Congress authorized the National Historic Preservation Act of 1966, recognizing the value of this country's built environment, however, it left to individual states and municipalities the responsibility of nominating for designation, regulating and promoting the preservation of historic properties and districts. There is no doubt that these local commissions have been saviors to historic structures and neighborhoods across the country. But, at what cost have they been saved?

Our free market economy is in stark contrast to not only urban planning, but to these commissions as well. These commissions step in where the functioning of the market is contrary to the greater good; these commissions stop what some call progress in the name of what has been criticized as pure aesthetics. In cities like New Orleans, which are struggling for a piece of the economic pie, these critics are gaining. Battles are occurring everyday, and those who do not believe in the value of historic district regulation are tearing away at the local commissions by claiming that they hurt the local economy through excessive regulation and hindrance of the free market.

The goal of this paper is to isolate the differences in property values attributable to protections by the local historic preservation commission in New Orleans, the Historic District Landmarks Commission. This paper is divided into seven chapters, each building upon what was learned in the one before it. Chapter 2, entitled *Definitions*, presents some of the more

critical terminology in the field of historic preservation and serves as a reference point when absorbing later chapters. Chapter 3, *Literature Review*, is a brief analysis of relevant published research on the effects of historic district designation on real property values, research that aided the author in both the compilation and understanding of the data analyzed in this report. Chapter 4, *Demographic Analysis*, describes the study area in terms of population trends, incomes, and housing characteristics. Chapter 5, entitled *Methodology*, outlines the manner by which the author compiled and analyzed the data on property values in New Orleans. Chapter 6, *Test of Hypothesis*, presents and analyzes the data compiled.

The following sections of this introduction present the observations made, problem identified, and proposed solution for this problem.

Observation

New Orleans' Historic neighborhoods are desirable places to live. Neighborhoods such as the Bywater were once crime-riddled areas covered with boarded-up or deteriorating houses. In recent years, substantial reinvestment has occurred in the Bywater, and the neighborhood has "turned around". What was once an undesirable neighborhood for anything but illegal activity has become a "hip" neighborhood repopulated with artists, homosexual couples, and families with children. An area that was once deemed unsafe is now the home to the New Orleans Center for the Creative Arts, one of the top creative arts institutions in the United States. Those who live and work in the Bywater frequently list the historic character of the neighborhood as one of their main reasons for locating there. Property values in the Bywater are significantly higher today than they were fifteen years ago; the Bywater was designated a local historic district in 1992, and much of that neighborhood's rise in property values has happened since that date.

Similarly, the Irish Channel has "turned around". This once undesirable neighborhood is being repopulated with singles, couples, and new families. This neighborhood is deemed a "hot" neighborhood by real estate professionals. The Irish Channel was designated a local historic district in March 2002, with limited protections in the few years prior. Property values in this area have and continue to rise.

Problem

Currently, there exists no research or compilation of data to support or refute claims that historic district designation has a positive impact on property values in residential areas in the City of New Orleans. The results of other research performed, on other cities and jurisdictions, are mixed and are not directly transferable to New Orleans. Therefore, those who wish to attack historic preservation commissions as bad for business are able to make such claims unchallenged. Those who wish to support historic preservation commissions as critical to neighborhood revitalization and as good for business are able to make those claims unchallenged. No studies have been performed which focus on real property values in New Orleans because compiling the data is a very cumbersome process. Since no such study results are available, arguments for and against preservation go nowhere, with emotion and gut feeling winning out over reason. The fighting continues, tying up resources and time.

Proposed Solution

The presentation of research on the property values of historic districts as they compare to the City of New Orleans as a whole and to a similar, yet undesignated neighborhood, will help to resolve disputes between those for and against preservation commission regulations on the basis of economics.

As the data are difficult to gather and very unwieldy, rather than performing a survey and analysis of the property values of all historic districts in the City, two districts will be analyzed. Multiple Listing Service data for ten years, going back to 1993, will be gathered for the historic districts selected, one comparison neighborhood, and for the City of New Orleans as a whole. The historic districts selected will have different dates of historic designation – one at the beginning of the study period, one at the end. The change in property values will be charted and compared in order to form a conclusion as to the effect of historic district designation on residential property values.

The proposed study will contribute to the slowly growing body of literature assessing the impacts of historic district designation on real property values. As New Orleans is a city rich in history, and one that paved the way for the preservation movement in the United States, these impacts will be of great interest to policy makers and preservationists alike when evaluating the pros and cons of historic district designation and subsequent regulations.

Hypothesis

Within the City of New Orleans, historic district designation and protections have a positive or at least stabilizing impact on property values within the district as compared to the city as a whole.

Chapter 2: Definitions

The following section defines some of the more critical terms used throughout this report.

National Historic Preservation Act of 1966

The National Historic Preservation Act of 1966, while not the first official recognition of the historic value of sites and structures in the United States, was the first such recognition on a national level. The Act created historic preservation offices for each state as well as provided for the creation of the National Register of Historic Places. The Act provided the backdrop for the preservation movement throughout the United States.

National Register Historic District

The National Register of Historic Places was created by the National Historic Preservation Act of 1966, in Title I, Section 101¹. With this act, historically designated properties came under the protection of the federal government in one way – no federal dollars could be spent on a project if it were deemed to have a negative impact on properties listed in the Register. National Register Historic Districts are not protected by any governmental entity. Aside from the prestige of historic status, properties within these areas are eligible for federal tax credits which are aimed at making renovation and preservation of historic structures more affordable.

Local Historic District

“Laws governing private actions affecting historic resources are primarily enacted at the local level pursuant to state enabling authority” (Miller, 9). In the City of New Orleans, as with countless other municipalities, regulation of such occurs in independent local historic commissions through the authority of the “police power”. These commissions are generally bodies made up of lay people, architects, preservation experts, and community activists, and they oversee local preservation efforts and regulate the treatment of historic structures and districts.

Vieux Carre Commission

The Vieux Carre Commission was the second historic commission created in the United States. Charged with the preservation of the built environment, it is a separate department of the City of New Orleans’ government, created in 1936 by an amendment to the Louisiana State Constitution, and it has jurisdiction only over the “French Quarter” or “Vieux Carré” of New Orleans.

Historic District Landmarks Commission of New Orleans

In New Orleans, historic districts and landmarks are regulated by the Historic District Landmarks Commission, the Central Business District Commission, and the Vieux Carré Commission. The Historic District Landmarks Commission (HDLC) has jurisdiction over all historically designated buildings and historic districts in New Orleans, with the exception of those located in the Central Business District (governed by its own commission), and those of the

¹ National Historic Preservation Act of 1966, as amended through 2000. 16 U.S.C. 470. Title I, Section 101.

Vieux Carré. The Central Business District Commission is staffed by the Historic District Landmarks Commission, but remains a separate commission. The Historic District Landmarks Commission of New Orleans (HDLC), like the Vieux Carre Commission, is a City agency for the preservation of the built environment.

Local Historic District Commission Authority

The authority of local historic district commissions varies by jurisdiction. Generally, these Commissions are a part of municipal governments charged with the review of and power of approval or denial of plans for modifications to structures within the historic district boundaries. Decisions by these bodies are usually appeal able to either the courts or the local legislative body. A more thorough discussion of the legal basis for local historic district commission powers as well as an analysis of the actions of these commissions is contained within the Appendix of this report.

New Orleans Local Historic Districts

Table D.1 below is a listing of New Orleans' local historic districts and the dates on which they were established. Left out of this list is the Vieux Carre and the Central Business District Historic Districts.

Table D.1
New Orleans Historic District
Landmarks Commission:
Establishment Dates

Lower Garden	2/27/1975
<i>Creation of the NOHDLC</i>	6/24/1976
St. Charles Avenue	6/24/1976
<i>Creation of the CBDHDLC</i>	3/16/1978
Lafayette Square	3/16/1978
Picayune Place	3/16/1978
Warehouse District	3/16/1978
Faubourg Marigny	12/7/1978
Esplanade Ridge	2/1/1979
Canal Street	11/15/1984
Holy Cross	7/12/1990
Algiers Point	6/3/1993
Bywater	6/3/1993
Treme	10/6/1998
Irish Channel	3/21/2002

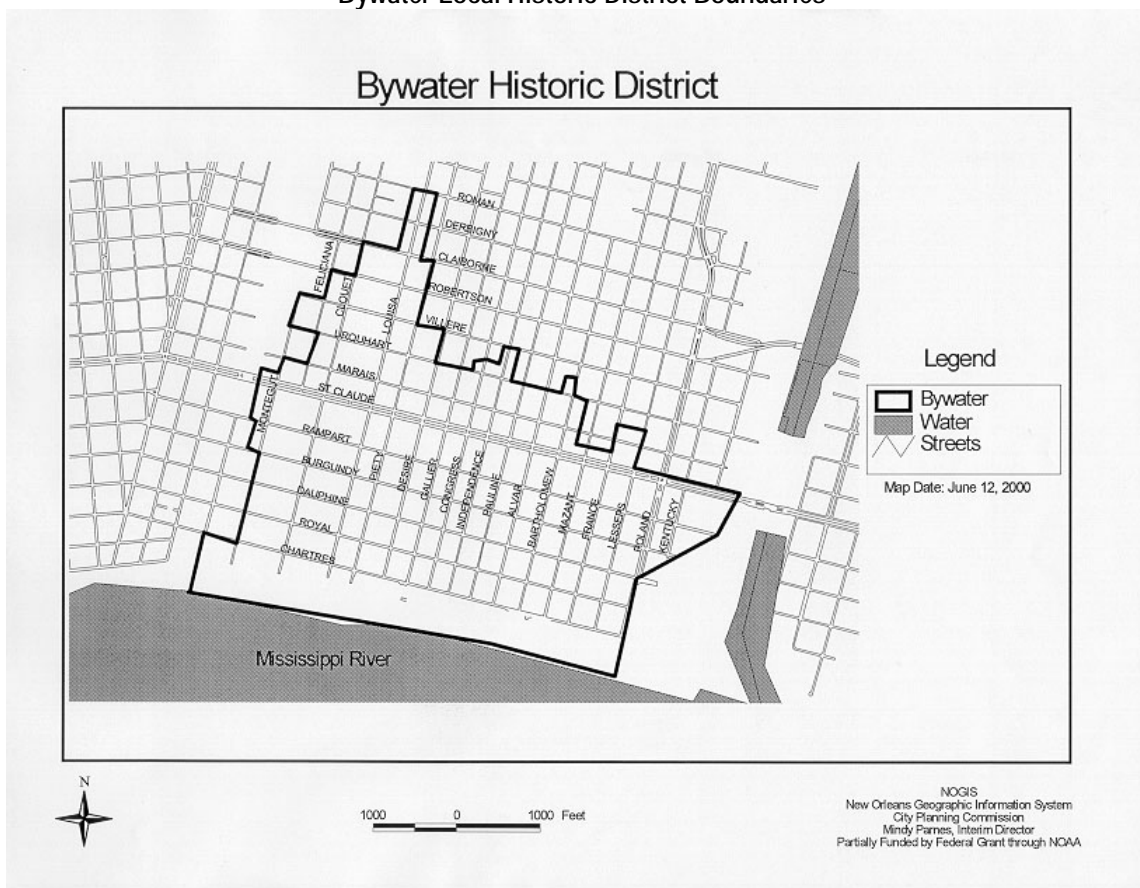
Source: New Orleans Historic District
Landmarks Commission

Local Historic Districts Studied

Bywater

The boundaries of the Bywater Local Historic District are demonstrated in *Map D.1* below. For demographic research purposes, the United States Census Tracts most closely corresponding to these boundaries were used, and include Tracts 11,12,13.01, and 13.04.

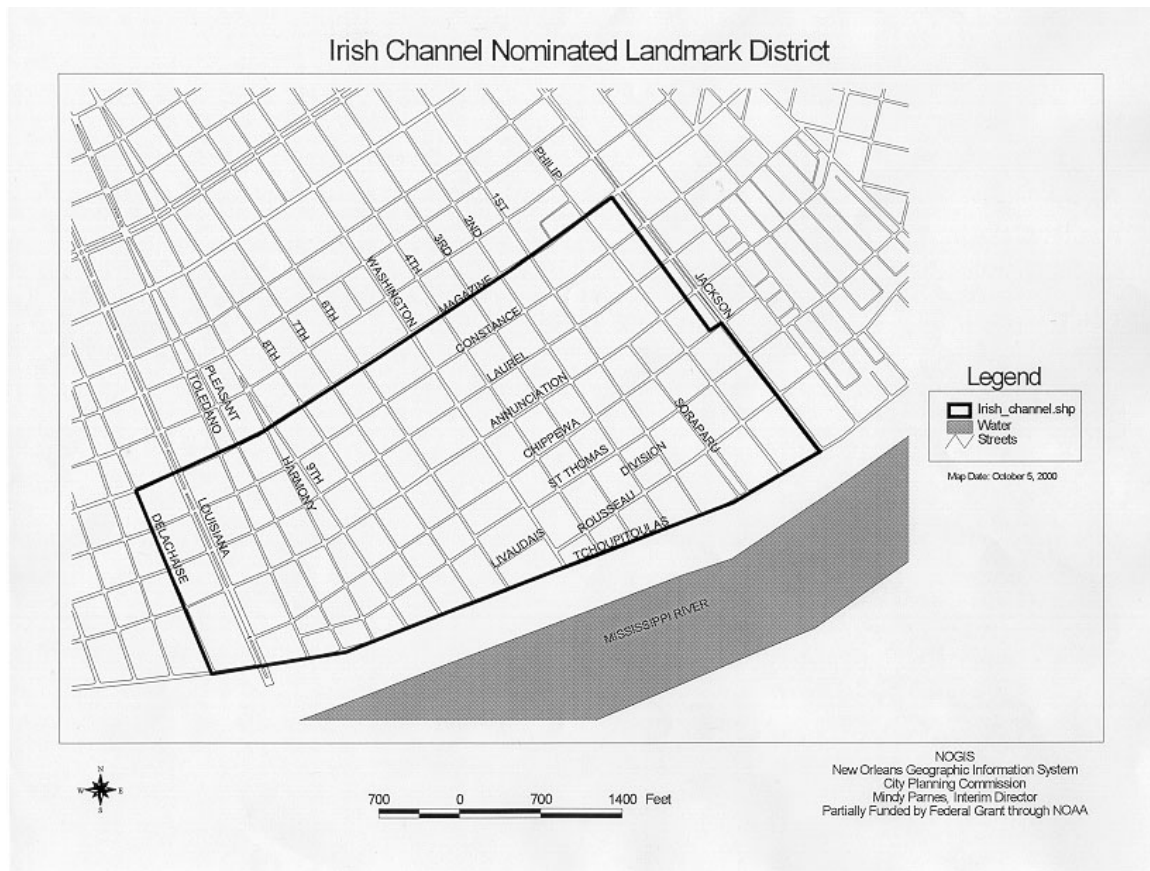
Map D.1
Bywater Local Historic District Boundaries



Irish Channel

The boundaries of the Irish Channel Local Historic District are demonstrated in *Map D.2*. For demographic research purposes, the United States Census Tracts most closely corresponding to these boundaries were used, Tracts 81.02, 87, 88, and 89.

Map D.2
Irish Channel Historic District Boundaries



Comparison Neighborhood Studied

A thorough comparison of every Census Tract in the City of New Orleans, or Orleans Parish, was made, focusing on demographic makeup and location, age, size, and quality of housing stock. The aim was to identify a New Orleans neighborhood that is comparable to the two historic districts studied, but is not within a local historic district. The following table, *Table D.2*, represents the street address boundaries included in this comparable neighborhood.

Table D.2
Comparison Neighborhood Street
Address Boundaries

Street	Numbers
Annunciation	3800-4400; 4900-5400
Bellecastle	100-900
Constance	3800-4400; 4900-5400
Constantinople	100-900
Dufossat	100-900
General Pershing	100-900
General Taylor	100-900
Jefferson	100-900
Laurel	3800-4400; 4900-5400
Leontine	100-900
Magazine	3800-4400; 4900-5400
Marengo	100-900
Milan	100-900
Napoleon	100-900
Peniston	100-900
Robert	100-900
Tchoupitoulas	3800-4400; 4900-5400
Upperline	100-900
Valmont	100-900

Source: HDLC; MapQuest; site visits

Multiple Listing Service

The Multiple Listing Service (MLS) is a service to the real estate and property appraisal industries. All homes listed for sale and all homes sold in an area are entered into the MLS database. The database contains comprehensive information about real property, specifying details such as: ML Number, Address, Neighborhood, Number of Bedrooms, Number of Bathrooms, Square Footage, List Price, Sale Price, Sale Price Per Square Foot, Sale Date, Property Condition, etc.

Access to the MLS database is limited. Public access to currently for sale properties is available through the MLS website: www.realtor.com. Access to the full, historical property database is restricted to real estate and appraisal professionals who subscribe to the service. The author gained access to the database from a number of real estate professionals under the condition that the data gleaned from it was to be used for academic purposes, and that the author would not benefit monetarily from its use.

MLS Data Analyzed

The Multiple Listing Service database was accessed and searched by neighborhood for all sales of residential property in the City of New Orleans, from 1993 to 2003. In all, 9,395 property sales were compiled and analyzed, of which 718 were for properties located in local historic districts (Irish Channel – 259 sales; Bywater – 459 sales).

Inflation Adjustment

In order to compare housing values on a level playing field, sale prices for years in the past were adjusted to what would be equivalent sales prices in 2003 dollars. The following table, *Table D.3*, represents the conversion factors used in this process.

Table D.3
Inflation Adjustment: Conversion to 2003 Dollars

Year	\$ in past	2003 Value	Multiplier	Conversion factor
1993	\$100	127.34	1.2734	0.7853
1994	\$100	124.16	1.2416	0.8054
1995	\$100	120.73	1.2073	0.8283
1996	\$100	117.27	1.1727	0.8527
1997	\$100	114.64	1.1464	0.8723
1998	\$100	112.88	1.1288	0.8859
1999	\$100	110.44	1.1044	0.9054
2000	\$100	106.85	1.0685	0.9359
2001	\$100	103.9	1.039	0.9625
2002	\$100	102.28	1.0228	0.9777
2003	\$100	100	1	1

Source: Bureau of Labor Statistics, Consumer Price Index

The equation used in converting sale prices is as follows:

$$\text{Past Value} / \text{Conversion Factor} = \text{2003 Value}$$

To give an example:

A house sells for \$100,000 in 1996.

$$\$100,000 / 0.8527 = \mathbf{\$117,274}$$

Therefore, the adjusted sales price of the house is \$117,274.

Per Capita Income Calculation

Per Capita Incomes for each of the areas studied were calculated by the author using United States Census data. The total population and per capita income for each census tract composing the area were obtained, and used to formulate per capita income for the area as a whole, using the following equation:

$$((\text{Census tract 1 population} * \text{Census tract 1 per capita income}) + (\text{Census tract 2 population} * \text{Census tract 2 per capita income})) / (\text{Census tract 1 population} + \text{Census tract 2 population}) = \text{Per capita income for area}$$

Or to use an example in *Table D.4*:

Table D.4
2000 Bywater Per Capita Incomes

	Tract 11	Tract 12	Tract 13.01	Tract 13.04	TOTAL
Population	2,952	2,144	3,022	700	8,818
Per Capita Income	\$9,931	\$16,613	\$13,162	\$16,622	
Total Income	\$29,316,312	\$35,618,272	\$39,775,564	\$11,635,400	\$116,345,548

$$\text{Total Income} / \text{Total Population} = \text{Per Capita Income}$$

$$\$116,345,548 / 8,818 = \mathbf{\$13,194}$$

The per capita income for the area as a whole is \$13,194.

Average Annual Growth

Average annual growth is a measure of change on a yearly basis. Population data is compiled on a decade, by decade basis by the United States Census and on a yearly basis by Claritas, Inc. In order to analyze trends and even out growth over time, average annual growth rates are calculated. The basic calculation for this measure is:

$$(\text{Future or most recent year} / \text{Year in past}) ^{(1/ \# \text{ of years elapsed}) - 1} = \% \text{ A.A.G.}$$

To give an example: In 1990, the population of Utopia was 100,000; the population in 2000 was 125,000.

$$(125,000/100,000) ^{(1/10)-1} = 2.257\% \text{ A.A.G.}$$

The population of Utopia grew at a rate of 2.26% each year.

To give an example of projecting the growth rate for time period in the future, the same formula holds true: In 2003, the population of Utopia was 130,000; the population in 2008 is estimated to be 115,000.

$$(115,000/130,000) ^{(1/5) - 1} = -2.422\% \text{ A.A.G.}$$

The decline in population is represented by a negative average annual growth of 2.422%.

Gentrification

Gentrification is the infusion of low-income, inner-city neighborhoods by the middle and upper classes. This process involves the renovation and revitalization of the housing stock in these neighborhoods, and often results in the displacement of the area's long time residents. In the case of New Orleans, gentrification occurs most often in the locally designated historic districts. Many of the issues raised by such gentrification are deeply related to poverty, power and class structure. A more thorough discussion of this issue is contained in the Appendix of this report.

Demographic Data

As United States Census data is only thoroughly updated once every ten years, the author felt it out of date for this analysis. The author gained access to the more accurate, privately collected data produced by Claritas, Inc. under the condition that the data was to be used for academic purposes, and that the author would not benefit monetarily from its use. Used throughout this report is demographic data gleaned from Claritas, Inc./iXpress, versions 2.52 and 2.6.

Chapter 3: Literature Review

Introduction

The impetus for this study was the lack of available information on the economic benefits of historic preservation. While a handful of studies have been performed on job creation and local spending impacts of preservation, very little research exists addressing the impact of preservation on property values. To homeowners and those considering becoming homeowners in historic districts, one issue stands out: how much will my home be worth in “x” number of years? Is purchasing a home in a local historic district, protected from certain development pressures yet constrained by additional regulation, a better investment than purchasing in an undesignated area? Do property values rise faster? Slower? Do they decline? Are they stabilized? The following section is a review of relevant writings on the economic impact of historic preservation; these writings helped in both defining the scope and methodology of this study, as well as in the understanding of its findings.

Problem

In the relevant writings on the economic benefits of historic preservation, the same problems are noted again and again. The uncertainty of the effects of designation often results in conflicting claims made by those in favor of and those opposed to historic designation. As Donovan Rypkema stated in The Economics of Historic Preservation: A Community Leader’s Guide,

Of all the economic issues of historic preservation, none is subject to so many opinions based on so few facts as the impact on property value of being included in a historic district. Even stranger is the diametric division of uninformed opinions. During discussions about the creation of a historic district, one is likely to hear the following: ‘My property values will be reduced.’ ‘My property values will rise so much that I won’t be able to afford to live here.’ ‘My property values will be frozen.’ ‘Because of the restrictions of the district, fewer people will be interested in buying.’ ‘Because of the restrictions, more people will be interested in buying.’ Which of those people know what they are talking about? (Rypkema, 41)

There is a general lack of evidence and information on the economic effects of historic preservation – this is something agreed upon by nearly all in the field of historic preservation. Further, the information that does exist is not transferable. In a 1995 article written by Matthew Bauer and published by the National Trust for Historic Preservation, it was pointed out that one of the main problems in asserting that historic designation has a positive or negative impact on property values, is that “the problem lies in that the results from each study are not transferable; each historic neighborhood, each historic property, each property owner is unique” (Bauer, 1). So, no matter how insightful a study of a particular city’s preservation efforts is, it cannot be said to be reflective of all historic districts. In order to talk about one’s own city, one must study one’s own city; trends found in one city may not be present in another.

Selection of Study Areas

To address these problems, a number of researchers have performed studies of the property value impacts of local historic district designation. Four such studies were reviewed and are discussed in the following section. The study areas include: Greensboro, North Carolina; Knoxville, Tennessee; Washington, DC; and Brooklyn, New York. In each case, the property values of properties in historic districts were analyzed over a period of time, with more than one historic district in each city being evaluated.

In 1998, Joe Ramses Leimenstoll published a study that he performed on Greensboro, North Carolina. Leimenstoll looked at three locally designated historic districts, and compared each to a non-designated neighborhood. The comparison neighborhoods he used were selected based on comparable architectural and neighborhood character. Streetscape, site, scale, and density were all factors in his comparison of neighborhood character. Further, the comparison neighborhoods were areas that were potential historic districts.

Knoxville, Tennessee was the focus of a study performed by Ann Bennet. For her analysis, she studied three areas – each similar in size and age, and located in the same part of the city. These study areas all had in common approximate size, similar original development dates and adjacent locations.

Dennis Gale studied the effects of designation on property values in Washington, DC. At the outset of his study, rather than making sweeping, unsubstantiated statements or studying only one city, or one segment of one city, Gale reviewed a number of studies done which evaluate the property values of historic properties. He evaluated three historic districts, analyzing their values before and after designation. For comparison, he looked at three revitalizing, yet not historically designated neighborhoods. Rather than isolating the historic properties, Gale studied city squares that were 50% or more within the historic districts.

This most recent study of the effect of historic designation on real property values was published by the New York City Independent Budget Office (NYCIBO) in September 2003 at the request of that City's governing body. The study looked at three historic districts - one in a relatively high income area, one in a middle-income area, one in a low income area. Property value data for these historic districts were compared to areas within 1,000 to 1,250 feet of those district boundaries.

Review of these studies aided in the selection of the study areas for this analysis. Following the lead of these researchers, the author chose to study two local historic districts in New Orleans, and compare those districts to both the city as a whole and to a comparison neighborhood selected for its similar housing stock, location adjacent to the Mississippi River, and similar demographic makeup at the outset of the study period.

Data Used

Having decided to study property values within historic districts, the decision of just what type of data to use had to be made. Leimenstoll's study consisted of solely property values. Neither owner occupancy, building use, permitted improvements, new construction, nor vacancy were considered in his analysis. Gale's study focused on single family residential properties

because, “apartment buildings and commercial and industrial properties are generally assessed by the income method, while single family housing is assessed by the comparable sales method” (Gale, 333). The NYCIBO study focused on residential property values due to the complexity of analysis involved in dealing with commercial properties as “sales prices of commercial buildings are complicated by tax considerations and the length of existing leases, making commercial sales harder to analyze for evidence of changing market values than residential sales” (NYCIBO, 2). The data used, therefore, was narrowed down to that of sales of purely residential properties. Similarly, Bennett analyzed only residential properties.

Following these leads, the author chose for analysis all residential properties in the City of New Orleans.

Study Period

Next, the author evaluated the study period of other research performed. How long of a timeframe would be appropriate? Each of the studies looked at different periods, based in part on the availability of data. The New York City Budget Office study looked at property values from 1975 through 2002. This 28-year period was the longest period of study. Leimenstoll selected his time periods based on property assessment cycles and a desire to show value prior to and after historic designation, and therefore used data beginning in 1972 and ending in 1996. Bennett was limited in the data she was able to use. As historic district designation was relatively recent for Knoxville, TN, occurring in 1992, few years of data could be analyzed. Bennett’s study looked at property value from the years 1990 through 1995. Dennis Gale studied Washington, DC property values from 1975 through 1987.

The author chose to use a study period of ten years, from 1993 to 2003, based in part on availability of data, and the desire to encompass the effects of a newly created historic district and a longer-established one.

Data Source

At the outset of the author’s research, the selection of data source had to be made. As different measures of property value exist, different data sources were used. In Leimenstoll’s study, the property value data used was taken from the City of Greensboro tax assessments, which are updated once every eight years. Leimenstoll chose not to analyze market values as little of that data was available to him. Bennett used census information, data on the number of building permits issued, and Multiple Listing Service (MLS) sales data. However, Bennett found that Census data, available only for 1990, was so old as to not be helpful. The New York City Independent Budget Office study looked at Department of Finance sales data. Dennis Gale used property tax assessment data for his analysis.

The data source chosen by the author was MLS sales data. A more thorough explanation of the reasoning behind this choice is contained in the *Methodology* section of this report.

Sample Size

Of the studies performed, the largest sample size used was by the New York City Independent Budget Office, with 368,664 parcels that had at least one sale during the period, of which 4,333 were in historic districts. Leimenstoll’s study originally included 2,233 properties.

However, a number were thrown out of the sample for reasons such as, the property didn't have the same building on it during time period, it was vacant land, new structures were constructed during the time period, properties were tax-exempt institutional buildings, and parcels had incomplete records. The resulting sample consisted of 1,652 properties, or 74% of those originally researched. Bennett used a very small sample size – of only 25, 25, and 40 properties in the three respective districts.

The sample used in the author's analysis contained 9,395 property sales, of which 718 were for properties located in local historic districts.

Method of Analysis

Once compiled, each of the researchers analyzed their data. Leimenstoll gathered his data into a spreadsheet program, and calculated average assessed property values and average percentage of assessment increase. Further, he used weighted averages for comparisons. Bennett calculated the average sales price and average sales price per square foot for the Old North Knoxville area. The calculation of sales price per square foot was done to account for differences in building size. Gale looked at mean property value and performed statistical testing on the change in value over time. The NYCIBO study calculated the average value per square foot, and looked at the resulting trends.

A thorough discussion of the methodology used in this analysis is contained in the *Methodology* section of this report.

Findings

Of the studies performed, no one result was consistently found. The following is a brief summary of those findings.

Bennet's study found that the two neighborhoods where the most building permits were issued were the historic ones. Further, from her very small sampling, and in comparing to the county as a whole, she found that "average sales price in the areas [were] less than the county-wide average" (Bennett, 8) and that it was "probably attributable to the fact that each of the areas [was] still revitalizing" (Bennett, 8). However, her research showed that the percentage increase in property value for the historic districts was higher than for the city as a whole. Over the 5 year study period, the Old North Knoxville district showed a property value increase of 157%.

Leimenstoll's study of Greensboro found that in the pre-designation period, in two of the cases, the neighborhood saw a greater increase in assessed values than the historic district; in the post-designation period, the districts saw a greater increase in assessed values. Further, "in the second post-designation period, in all three cases, the district saw a greater increase in assessed values." This study revealed that "property values after designation increased more in the designated historic districts than in the non-designated comparison neighborhoods" (Leimenstoll, 5) and that "a statistically significant increase in property values over the comparison neighborhood during the pos-designation periods was found across the board" (Leimenstoll, 5).

Gale found that:

- “there were no increases in the rate of growth of assessments. In fact, growth rates dropped by approximately one-half in both districts after designation” (Gale, 333).
- “Rather than increasing after designation, the growth rate declined more than 50%. Moreover, the trajectories of these rates compare closely with those in the city overall. Once more, there is nothing in the data to suggest that designation had an effect on residential property values” (Gale, 333); and
- “word of the impending designations may have had a dampening effect on property values” (Gale, 333).

In using a comparison T-test on each of the six study areas to determine whether decreases in growth rates were statistically significant, he found that “in all three historic districts, and the three non-historic districts, the declines were found to be statistically significant at the 0.01 level, indicating that there was an extremely low probability that the declines were due to chance.” Further, he found that “... most of the results to date do not support the view that designation is associated with accelerated growth in property assessments or sales prices. On the other hand, there is modest evidence that historic districts are more resistant than essentially identical but undesignated neighborhoods to price volatility associated with “boom and bust” cycles in real estate” (Gale, 337).

The NYCIBO study found that, “all else equal, prices of houses in historic districts are higher than those of similar houses outside historic districts” (NYCIBO, 1). This study found to be true what preservationists have been saying for years, that historic district designation has a positive impact on property values. The study went further, stating that “although prices for historic properties have at times increased less rapidly than for similar properties outside historic districts, overall price appreciation from 1975 through 2002 was greater for houses inside historical districts.” Additionally,

- “after accounting for differences in property characteristics, we found evidence of a statistically significant price premium associated with inclusion in an historic district” (NYCIBO, 8).
 - “the extent of the premium varied from year to year, ranging from 22.6 percent in 1988, 1990, and 1997, to 71.8 percent in 1978” (NYCIBO, 2).
- “Controlling for other dwelling and in neighborhood characteristics, prices of class one properties in historic districts sometimes increased faster, sometimes slower, than properties outside the districts. However, the overall effect of inclusion in an historic district during the 28-year period 1975-2002 was positive,” (NYCIBO, 8) and that
- “In inflation-adjusted terms, prices of historic properties have risen an average of 5.3 percent per year since 1975, while non-historic district properties have risen an average of 4.2 percent” (NYCIBO, 4).

Of interesting note, the study calculated what a house in a non-historic district would be worth if located within an historic district, finding that “a house valued at \$37,859 in 1975 – the mean price for all class one properties sold in community districts with historic districts – would have risen in value to \$457,715 if it had been in an historic district, but only \$396,762 if it had been outside of the historic district” (NYCIBO, 8).

In his book, Donovan Rypkema refers to the Government Finance Research Center (GFRC) of the Government Finance Officers Association study, *The Economic Benefits of Preserving Community Character*, which looked at property values in Galveston, TX and Fredericksburg, VA. The study analyzed “changes in value of sample properties located within the historic district as compared to changes in value of properties located elsewhere in the city” (Rypkema, 43). The study found that there was a significantly larger increase in property values in the historic districts between the years 1971 and 1990. “Residential properties in the historic district increased in value by an average 674 percent, while residential properties located elsewhere in the city increased in value by an average of 410 percent” (Rypkema, 43).

A comparison of the growth in property values found in each of these studies reveals that while all of the historic districts saw greater rises in value, those rises varied by study city. Galveston and Fredericksburg’s historic districts saw an average annual growth in property value of 35%, while citywide property values rose only 22% annually. These figures are significantly higher than in any of the other studies, and are therefore suspect. A more thorough analysis of this study would be necessary to make a true comparison. The studies done for Knoxville, Greensboro, Washington, and Brooklyn were done with similar methodologies, and are comparable.

Average annual growth of property values in historic districts ranged from a low of 2.02% in one Washington, DC district, to a high of 36.6% in one Knoxville, TN district. When compared to non-designated neighborhoods and the entire cities, the historic districts saw greater annual growth by between 0.3% and 31.9%. This data is presented in *Table LR.1* below. On a whole, property values in these historic districts grew at a greater rate than outside of those districts.

Table LR.1
Average Annual Growth in Mean Property Value

Study Area	Historically Designated Districts	Non-designated Neighborhoods	Citywide	Points Higher in Historic Districts
Galveston & Fredericksburg (1971-1990)	35%		22%	14%
Knoxville (1990-1995)	5.4 - 36.6%		5%	0.7 % - 31.9%
Greensboro (1972-1996)	7.1 - 8.5%	7.4 - 8.2%		0.3%
Washington (1975-81; 1981-87)	2.02% - 15.65%	1.02% - 14.68%	1.54% - 14.10%	0.48 - 1.55%
Brooklyn (1975-2002)	10.8%	8.5%		2.3%

Source: Rympeka; Bennett; Leimenstoll; Gale; New York City Independent Budget Office; S. Leckert

Summary

Using the aforementioned studies as a guide, the author then set out to perform a study on the property values for historic districts in New Orleans, LA. Common problems were identified, and a consistent pattern of the selection of study areas, the data used, study period, data source, sample size, and method of analysis was distilled to form the basis of the author’s own research. In the five studies cited, all historic districts saw greater growth in property value than did non-designated areas.

Chapter 4: Demographic Analysis

Introduction

Orleans Parish, LA and the City of New Orleans, LA are one in the same. As a means for better understanding the study areas, the following sections presents demographic data for not only the study areas, but for Orleans Parish, the State of Louisiana, and the United States.

Orleans Parish, Louisiana

Total Population

Table DO.1
Total Population Statistics

	Orleans Parish	State of LA	United States
2008 Projection	465,271	4,522,470	305,918,071
2003 Estimate	477,410	4,486,970	290,647,163
2000 Census	484,674	4,468,976	281,421,906
1990 Census	496,938	4,219,973	248,709,873
Growth 1990-2000	-2.47%	5.90%	13.15%
Growth 2003-2008	-2.54%	0.79%	5.25%
Growth 2000-2003	-1.50%	0.40%	3.28%
A.A.G. 1990-2000	-0.25%	0.57%	1.24%
A.A.G. 2000-2003	-0.50%	0.13%	1.08%
A.A.G. 2003-2008	-0.51%	0.16%	1.03%

Source: Claritas; S. Leckert

The population of the City of New Orleans (see *Table DO.1*), which is entirely composed of the Parish of Orleans, is declining. From 1990 to 2000, Orleans Parish total population dropped by 2.47%, for a loss of over 12,000 residents. During the same period, the population for both the State of Louisiana and the United States as a whole grew substantially. Louisiana experienced a population growth of 5.9%, while the U.S. saw enormous growth of 13.15%. Similarly, Claritas projections show that the State of Louisiana as well as the United States will continue to grow, at rates of 0.79% and 5.25% over the five year period from 2003 to 2008. Average annual growth rates (A.A.G.) for total population within these three study areas are very telling. The A.A.G. for the United States, while appearing to slow down somewhat, remains over 1.0% per year. The State of Louisiana is estimated to grow at a slightly faster pace from 2003 to 2008 as compared to the previous period, achieving an A.A.G. of 0.16%. Conversely, the average annual growth rate of Orleans Parish is steadily falling. The significant population decline experienced in the ten year period from 1990 to 2000 was at an average annual rate of -0.25%, while the current population decline is happening at more than twice that speed, at -0.51% per year. Claritas estimates put the population for the City of New Orleans at barely over 465,000 in 2008 – a loss of over 30,000 people, or 6.4% of the population in 18 years.

Racial Makeup

The racial makeup of the people of New Orleans, as presented in *Table DO.2*, is almost the opposite of the State of Louisiana and the United States as a whole. African Americans make up 67.8% of the population of New Orleans, with white residents making up 27.3%. For the

State of Louisiana and the U.S., the vast majority of the population, 63.5 and 74.5% respectively, is white.

Table DO.2
2003 Population Racial Makeup

	<u>Orleans Parish</u>		<u>State of LA</u>		<u>United States</u>	
	Population	%	Population	%	Population	%
White alone	130,481	27.33%	2,849,857	63.51%	216,445,899	74.47%
Black or African American alone	323,703	67.80%	1,467,862	32.71%	36,018,410	12.39%
American Indian and Alaska Native alone	1,084	0.23%	27,227	0.61%	2,657,892	0.91%
Asian alone	11,235	2.35%	57,677	1.29%	11,119,417	3.83%
Native Hawaiian and Other Pacific Islander alone	112	0.02%	1,267	0.03%	421,106	0.14%
Some other race alone	4,586	0.96%	33,481	0.75%	16,742,689	5.76%
Two or more races	6,209	1.30%	49,599	1.11%	7,241,750	2.49%
TOTAL	477,410	100%	4,486,970	100%	290,647,163	100%

Source: Claritas

Incomes

Table DO.3
2003 Estimated Households by Household Income

	<u>Orleans Parish</u>		<u>State of Louisiana</u>		<u>United States</u>	
	Households	%	Households	%	Households	%
Less than \$15,000	52,161	27.91%	370,430	21.98%	15,466,679	14.13%
\$15,000 to \$24,999	28,245	15.12%	236,389	14.03%	12,595,409	11.51%
\$25,000 to \$34,999	24,310	13.01%	214,247	12.71%	12,789,669	11.69%
\$35,000 to \$49,999	27,165	14.54%	264,708	15.71%	17,528,231	16.02%
\$50,000 to \$74,999	24,732	13.24%	281,438	16.70%	21,028,811	19.21%
\$75,000 to \$99,999	12,269	6.57%	147,513	8.75%	12,379,351	11.31%
\$100,000 to \$149,999	10,166	5.44%	114,231	6.78%	11,138,165	10.18%
\$150,000 to \$249,999	4,790	2.56%	38,943	2.31%	4,553,917	4.16%
\$250,000 to \$499,999	2,035	1.09%	12,634	0.75%	1,349,176	1.23%
\$500,000 or more	984	0.53%	4,835	0.29%	610,651	0.56%
Total Households	186,857	100.01%	1,685,368	100.01%	109,440,059	100.00%

Source: Claritas

As shown in *Table DO.3*, over one quarter of New Orleans households earn less than \$15,000 per year. Half as many New Orleans households, percentage-wise, earn \$100-149,000 as those in the U.S. as a whole.

Table DO.4
2003 Income Statistics

	Orleans Parish	State of Louisiana	United States
Estimated Average Household Income	\$47,209	\$49,715	\$63,207
Estimated Median Household Income	\$30,357	\$36,225	\$46,868
Estimated Per Capita Income	\$18,925	\$18,920	\$24,078

Source: Claritas

The average household income, median household income, and per capita income in New Orleans is significantly lower than in the United States as a whole, as shown in *Table DO.4*. Per capita and average household incomes in New Orleans are similar to the State of Louisiana.

Housing

Table DO.5
2003 Tenure of Occupied Housing Units

	<u>Orleans Parish</u>		<u>State of LA</u>		<u>United States</u>	
	Units	%	Units	%	Units	%
Owner Occupied	87,284	46.71%	1,149,935	68.23%	72,731,117	66.46%
Renter Occupied	99,573	53.29%	535,433	31.77%	36,708,942	33.54%
TOTAL	186,857	100.00%	1,685,368	100.00%	109,440,059	100.00%

Source: Claritas

In Orleans Parish, the majority of occupied housing units are renter occupied, as shown in *Table DO.5*. This is in stark contrast to the vast majority of housing in the State of Louisiana and the United States being owner occupied. This city of low income residents relies heavily on the rental market for housing.

Table DO.6
2003 Estimated All Owner-Occupied Housing Units by Value

	<u>United States</u>		<u>State of Louisiana</u>		<u>Orleans Parish</u>	
	Units	%	Units	%	Units	%
Less than \$20,000	2,692,944	3.70%	96,196	8.37%	1,246	1.43%
\$20,000 to \$39,999	4,038,269	5.55%	126,239	10.98%	3,972	4.55%
\$40,000 to \$59,999	5,347,730	7.35%	140,101	12.18%	10,349	11.86%
\$60,000 to \$79,999	6,926,535	9.52%	162,355	14.12%	16,177	18.53%
\$80,000 to \$99,999	8,334,007	11.46%	166,833	14.51%	15,369	17.61%
\$100,000 to \$149,999	15,949,436	21.93%	221,614	19.27%	16,203	18.56%
\$150,000 to \$199,999	11,085,048	15.24%	117,018	10.18%	8,871	10.16%
\$200,000 to \$299,999	9,711,294	13.35%	72,943	6.34%	7,904	9.06%
\$300,000 to \$399,999	3,817,807	5.25%	23,148	2.01%	2,901	3.32%
\$400,000 to \$499,999	1,944,363	2.67%	9,983	0.87%	1,601	1.83%
\$500,000 to \$749,999	1,598,818	2.20%	7,258	0.63%	1,610	1.84%
\$750,000 to \$999,999	644,266	0.89%	2,993	0.26%	610	0.70%
\$1,000,000 or more	640,600	0.88%	3,254	0.28%	471	0.54%
2003 Estimated Median Owner Occupied Housing Value						
	\$128,296		\$86,003		\$95,483	
Total Units						
	72,731,117		1,149,935		87,284	

Source: Claritas

The median value of owner-occupied housing in Orleans Parish is substantially less than the United States as a whole, yet somewhat more than for the State of Louisiana, as shown in *Table DO.6*. In Orleans Parish, over 53% of housing is valued at less than \$100,000, while that figure is over 60% for the State of Louisiana, and only 37% for the U.S. as a whole.

Table DO.7
2003 Estimated Housing Units by Units in Structure

	<u>United States</u>		<u>State of Louisiana</u>		<u>Orleans Parish</u>	
	Units	%	Units	%	Units	%
1 Unit Attached	6,678,905	5.55%	70,836	3.77%	31,834	14.91%
1 Unit Detached	72,685,408	60.43%	1,205,913	64.16%	89,839	42.09%
2 Units	5,068,779	4.21%	74,449	3.96%	29,155	13.66%
3 to 19 Units	16,012,152	13.31%	181,383	9.65%	41,219	19.31%
20 to 49 Units	3,989,509	3.32%	31,440	1.67%	6,351	2.98%
50 or More Units	6,316,754	5.25%	60,919	3.24%	14,232	6.67%
Mobile Home or Trailer	9,237,953	7.68%	249,247	13.26%	732	0.34%
Boat, RV, Van etc.	281,921	0.23%	5,326	0.28%	105	0.05%
TOTAL	120,271,381		1,879,513		213,467	
Dominant structure type	1 Unit Detached		1 Unit Detached		1 Unit Detached	

While New Orleans does contain a large percentage (nearly 14% as compared to the U.S. average of 4%) of housing containing two units, known as “doubles”, the dominant structure type remains the one unit detached home (see *Table DO.7*). This is also true for both the State of Louisiana and the United States.

Table DO.8
2003 Estimated Housing Units by Year Structure Built

	<u>United States</u>		<u>State of Louisiana</u>		<u>Orleans Parish</u>	
	Population	%	Population	%	Population	%
1999 to March 2003	7,647,560	6.36%	87,096	4.63%	2,917	1.37%
1995 to 1998	8,467,848	7.04%	123,737	6.58%	2,696	1.26%
1990 to 1994	8,454,935	7.03%	105,231	5.60%	2,822	1.32%
1980 to 1989	18,277,800	15.20%	338,156	17.99%	17,496	8.20%
1970 to 1979	21,355,714	17.76%	412,132	21.93%	28,870	13.52%
1960 to 1969	15,828,747	13.16%	298,261	15.87%	31,968	14.98%
1950 to 1959	14,623,085	12.16%	232,908	12.39%	35,464	16.61%
1940 to 1949	8,372,069	6.96%	127,843	6.80%	28,690	13.44%
1939 or Earlier	17,243,623	14.34%	154,149	8.20%	62,544	29.30%
TOTAL	120,271,381		1,879,513		213,467	
<hr/>						
2003 Estimated Median Year Structure Built	1972		1973		1954	
Dominant Year Structure Built	1970 to 1979		1970 to 1979		1939 or Earlier	

Source: Claritas

The housing stock in Orleans Parish is significantly older than is true for the State of LA and the United States as a whole, as shown in *Table DO.8*. The median year built for Orleans Parish is 1954, while it is 1972 and 1973 for the U.S. and Louisiana. In Orleans Parish the dominant year structures were built is 1939 or earlier – while it is 1970-1979 in Louisiana and the United States.

Study Areas

Bywater Local Historic District

The population within the Bywater Census Tracts is declining as shown in *Table DS.1*, however at not quite the rate of the City of New Orleans as a whole. Census Tract 13.01, however, is experiencing growth. The total population within this Tract grew by 10.74% from 1990 to 2000, with annual growth of 1.3% in the four years after. Projections for 2009 put the total population within this Tract at 3,379, with an average growth of nearly 1.2% per year.

Table DS.1
Bywater: Population by Census Tract

	Tract 11	Tract 12	Tract 13.01	Tract 13.04	TOTAL
1990 census	3,096	2,285	2,729	693	8,803
2000 census	2,892	2,204	3,022	721	8,839
2004 est.	2,794	2,048	3,186	674	8,702
2009 proj.	2,675	1,864	3,379	620	8,538
Growth 1990-2000	-6.59%	-3.54%	10.74%	4.04%	0.41%
A.A.G. (1990-2000)	-0.75%	-0.40%	1.14%	0.44%	0.05%
A.A.G. (2000-2004)	-0.86%	-1.82%	1.33%	-1.67%	-0.39%
A.A.G. (2004-2009)	-0.87%	-1.87%	1.18%	-1.66%	-0.38%

Source: Claritas

The racial makeup of the Bywater Census Tracts is presented in the table below (*Table DS.2*). With the exception of Tract 12, these Tracts follow the pattern of New Orleans as a whole, with the vast majority of residents classifying themselves as African American. In Census Tract 12, the reverse is true, with white residents making up nearly 60% of the total population.

Table DS.2
Bywater: 2004 Race by Census Tract

	Tract 11	%	Tract 12	%	Tract 13.01	%	Tract 13.04	%	TOTAL	%
2004 Estimated Population by Single Race Classification	2,794		2,048		3,186		674		8,702	
White Alone	681	24.4%	1,205	58.8%	368	11.6%	207	30.7%	2,461	28.3%
Black or African American Alone	2,027	72.6%	778	38.0%	2,765	86.8%	456	67.7%	6,026	69.3%
American Indian and Alaska Native Alone	9	0.3%	6	0.3%	3	0.1%	0	0.0%	18	0.2%
Asian Alone	30	1.1%	4	0.2%	7	0.2%	0	0.0%	41	0.5%
Native Hawaiian and Other Pacific Islander Alone	3	0.1%	0	0.0%	0	0.0%	0	0.0%	3	0.0%
Some Other Race Alone	17	0.6%	22	1.1%	8	0.3%	3	0.5%	50	0.6%
Two or More Races	27	1.0%	33	1.6%	35	1.1%	8	1.2%	103	1.2%

Source: Claritas

In 2004, the average household incomes for the Bywater Census Tracts were significantly lower than for the whole of the City of New Orleans. The lowest household incomes were recorded in Tract 11 at \$26,000, with the highest occurring in Tract 13.04 at \$37,000 (see *Table DS.3*).

Table DS.3
Bywater: 2004 Estimated Households by Household Income

	Tract 11	%	Tract 12	%	Tract 13.01	%	Tract 13.04	%	TOTAL	%
2004 Estimated Households	1,167	0.0%	1,015	0.0%	1,108	0.0%	278	0.0%	3,568	0.0%
Less than \$15,000	504	43.2%	357	35.2%	345	31.1%	102	36.7%	1,308	36.7%
\$15,000 to \$24,999	194	16.6%	142	14.0%	227	20.5%	61	21.9%	624	17.5%
\$25,000 to \$34,999	143	12.3%	197	19.4%	192	17.3%	17	6.1%	549	15.4%
\$35,000 to \$49,999	171	14.7%	82	8.1%	132	11.9%	32	11.5%	417	11.7%
\$50,000 to \$74,999	101	8.7%	124	12.2%	111	10.0%	35	12.6%	371	10.4%
\$75,000 to \$99,999	31	2.7%	58	5.7%	55	5.0%	19	6.8%	163	4.6%
\$100,000 to \$149,999	14	1.2%	33	3.3%	21	1.9%	6	2.2%	74	2.1%
\$150,000 to \$249,999	9	0.8%	16	1.6%	9	0.8%	2	0.7%	36	1.0%
\$250,000 to \$499,999	0	0.0%	4	0.4%	14	1.3%	3	1.1%	21	0.6%
\$500,000 or more	0	0.0%	2	0.2%	2	0.2%	1	0.4%	5	0.1%
2004 Estimated Average Household Income	\$26,536		\$36,919		\$36,431		\$37,644		\$33,428	
2004 Estimated Median Household Income	\$19,098		\$25,431		\$24,207		\$21,066		\$22,628	
2004 Estimated Per Capita Income	\$11,626		\$18,506		\$13,325		\$15,684		\$14,182	

Source: Claritas

The Per Capita Income in this area is similarly low, at approximately \$14,182 in 2004. Per Capita Incomes have risen slightly in Bywater, at an average annual rate of 2.44%, as shown in *Table DS.4*.

Table DS.4
Bywater: Per Capita Income

2000 Census	\$13,194
2004 Estimate	\$14,182
A.A.G.	2.44%

Source: Claritas

In 2004, 60% of all occupied housing units in the Bywater Census Tracts were renter occupied. The highest percentage of owner occupied housing occurred in Tract 13.04, with the lowest occurring in Tract 11. This data is presented in *Table DS.5* below.

Table DS.5
Bywater: 2004 Tenure of Occupied Housing Units by Census Tract

	Owner Occupied	% Owner Occupied	Renter Occupied	% Renter Occupied	Total Units
Tract 11	442	37.9%	725	62.1%	1,167
Tract12	391	38.5%	624	61.5%	1,015
Tract 13.01	476	43.0%	632	57.0%	1,108
Tract 13.04	125	45.0%	153	55.0%	278
TOTAL	1,434	40.2%	2,134	59.8%	3,568

Source: Claritas

Irish Channel Local Historic District

The population living within the Irish Channel, like the City of New Orleans as a whole, is declining (see *Table DS.6*). From 1990 to 2000, the Census Tracts roughly comprising the Irish Channel, Tracts 81.02, 87, 88, and 89 (see *Maps DS.1 and DS.2* below), lost nearly 650 residents, a loss of 12%. Population within these tracts is expected to continue to decline, as estimates of year 2004 population are at 4,394. This represents a loss of another 282 residents in less than half the time as the previously recorded population loss.

The dramatic population loss which has occurred in the Irish Channel can, for the most part, be explained by the closure a large public housing development, St. Thomas. A more thorough discussion of this neighborhood change is contained in Chapter 5: *Methodology: Note Regarding Factors Not Specifically Addressed*.

**Table
DS.6**

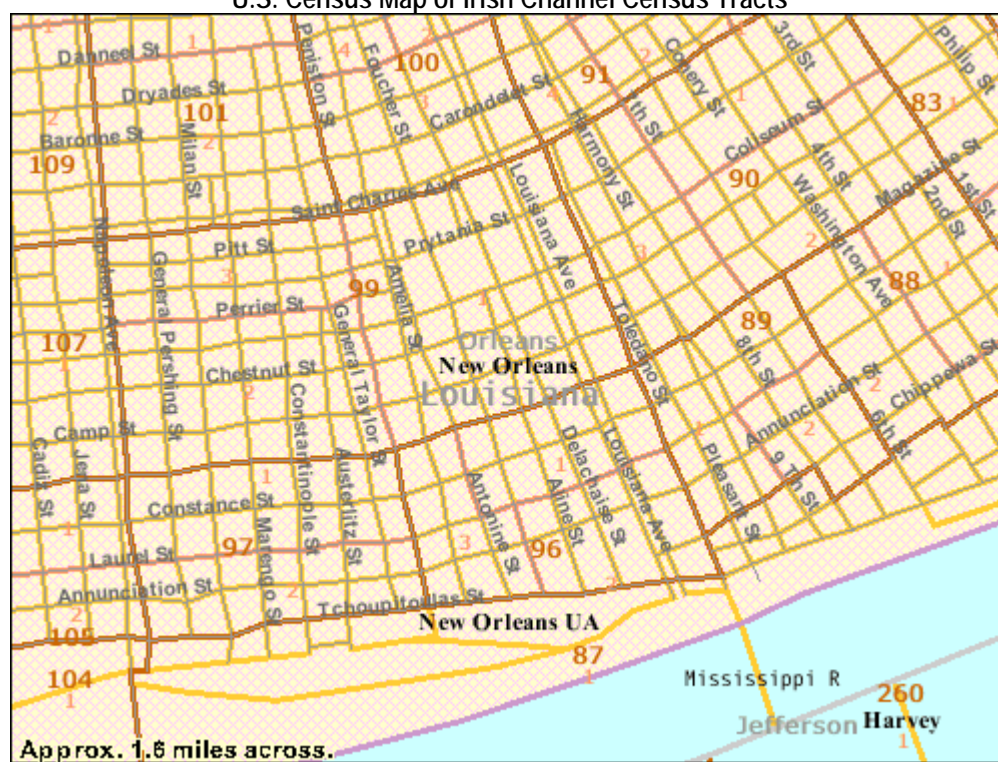
Irish Channel: Population by Census Tract

	Tract 81.02	Tract 87	Tract 88	Tract 89	TOTAL
1990 census	965	846	1,999	1,512	5,322
2000 census	406	768	1,967	1,535	4,676
2004 est.	371	689	1,835	1,499	4,394
2009 proj.	337	601	1,678	1,456	4,072
Growth 1990-2000	-57.93%	-9.22%	-1.60%	1.52%	-12.14%
A.A.G. (2000-2004)	-2.23%	-2.68%	-1.72%	-0.59%	-1.54%
A.A.G. (2004-2009)	-1.90%	-2.70%	-1.77%	-0.58%	-1.51%

Source: Claritas; S. Leckert

Map DS.1

U.S. Census Map of Irish Channel Census Tracts

Map: www.census.gov

Map DS.2
U.S. Census Map of Irish Channel Census Tracts



Map: www.census.gov

It should be noted that the largest decline in population occurred in Tract 81.02, with a loss of approximately two-thirds of its population since 1990. This decline is directly attributable to the closing and subsequent demolition of the St. Thomas Public Housing Development (see *Image DS.1* below, as well as Chapter 5: *Methodology: Note Regarding Factors Not Specifically Addressed*). In its place, a large mega-retail store has been built, as well as a number of single and multiple family homes. However, the population in this Census Tract will never return to its 1990 level.

Image DS.1
Aerial View of Uptown New Orleans



Uptown New Orleans, including the St. Thomas Housing Development in the upper right corner.
Photo by David King Gleason.

The general population loss in these Census Tracts from 1990 to 2000 can, at least partially, be accounted for by the purchase of formerly two-family homes for renovation and conversion to single family dwellings. However, estimates of 2004 population and projections for 2009 show a reversal of this trend. The Irish Channel has lost population at a greater rate than the City of New Orleans from 1990 to 2000, and continues to do so.

The racial makeup of the Irish Channel, as presented in *Table DS.7*, is not out of line with the overall racial makeup of the City of New Orleans, with the predominant race being African American and consisting of over 67% of the total population. It should be noted that Census Tract 87, the area which runs along the Mississippi River and Tchoupitoulas Street is decidedly African American, with that race making up over 89% of the total population. The racial makeup of the Irish Channel Census Tracts is represented in the table below.

Table DS.7

Irish Channel: 2004 Race by Census Tract

	Tract 81.02		Tract 87		Tract 88		Tract 89		TOTAL	
		%		%		%		%		%
2004 Estimated Population by Single Race Classification	371		689		1835		1499		4,394	
White Alone	75	20.2%	67	9.7%	685	37.3%	460	30.7%	1,287	29.3%
Black or African American Alone	296	79.8%	613	89.0%	1071	58.4%	970	64.7%	2,950	67.1%
American Indian and Alaska Native Alone	0	0.0%	1	0.2%	4	0.2%	5	0.3%	10	0.2%
Asian Alone	0	0.0%	0	0.0%	6	0.3%	5	0.3%	11	0.3%
Native Hawaiian and Other Pacific Islander Alone	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Some Other Race Alone	0	0.0%	1	0.2%	11	0.6%	24	1.6%	36	0.8%
Two or More Races	0	0.0%	7	1.0%	58	3.2%	35	2.3%	100	2.3%

Source: Claritas

Household incomes in New Orleans, while higher than the average for the State of Louisiana, as shown in previous sections of this report, are far below the national average. However, as shown in *Table DS.8* below, incomes in the Irish Channel are significantly lower than the average for the City as a whole, approximately \$10,000 lower.

Table DS.8

Irish Channel: 2004 Estimated Households by Household Income

	Tract 81.02	%	Tract 87	%	Tract 88	%	Tract 89	%	TOTAL	%
2004 Estimated Households	122	0.0%	241	0.0%	796	0.0%	646	0.0%	1,805	0.0%
Less than \$15,000	36	29.5%	99	41.1%	300	37.7%	253	39.2%	688	36.4%
\$15,000 to \$24,999	12	9.8%	57	23.7%	94	11.8%	64	9.9%	227	13.4%
\$25,000 to \$34,999	14	11.5%	31	12.9%	128	16.1%	59	9.1%	232	14.4%
\$35,000 to \$49,999	46	37.7%	21	8.7%	116	14.6%	62	9.6%	245	14.7%
\$50,000 to \$74,999	8	6.6%	25	10.4%	95	11.9%	96	14.9%	224	10.7%
\$75,000 to \$99,999	0	0.0%	8	3.3%	33	4.2%	72	11.2%	113	4.7%
\$100,000 to \$149,999	5	4.1%	0	0.0%	17	2.1%	26	4.0%	48	3.1%
\$150,000 to \$249,999	1	0.8%	0	0.0%	10	1.3%	7	1.1%	18	1.5%
\$250,000 to \$499,999	0	0.0%	0	0.0%	3	0.4%	6	0.9%	9	1.0%
\$500,000 or more	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.1%
2004 Estimated Average Household Income	\$34,713		\$24,556		\$33,352		\$41,858		\$35,314	
2004 Estimated Median Household Income	\$34,286		\$18,772		\$25,313		\$26,017		\$24,449	
2004 Estimated Per Capita Income	\$11,771		\$8,589		\$14,918		\$18,039		\$14,724	

Source: Claritas

Owner occupancy versus renter occupancy in the Irish Channel varies somewhat throughout the Census Tracts studied. *Table DS.9* shows that the highest percentage of owner occupancy is within Tract 89, the Census Tract with the highest average incomes and experiencing the smallest population loss. This Tract abuts the thriving Magazine Street and is an area that has seen a large number of renovations in recent years. The Tract with the lowest owner occupancy is Tract 81.02, the area with the second highest average income. 2004 estimates of housing tenure are presented below.

Table DS.9

Irish Channel: 2004 Tenure of Occupied Housing Units by Census Tract					
	Owner Occupied	% Owner Occupied	Renter Occupied	% Renter Occupied	Total Units
Tract 81.02	36	29.5%	86	70.5%	122
Tract 87	77	32.0%	164	68.1%	241
Tract 88	276	34.7%	520	65.3%	796
Tract 89	277	42.9%	369	57.1%	646
TOTAL	666	36.9%	1,139	63.1%	1,805

Source: Claritas

Comparison Neighborhood

The total population within the Comparison Neighborhood, like the Irish Channel and Bywater, is declining. However, the rate at which the population is declining in this area is somewhat greater than being experienced in the city as a whole (see *Table DS.10*).

Table DS.10

Comparison Neighborhood: Population by Census Tract					
	Tract 96	Tract 97	Tract 105	Tract 106	TOTAL
1990 census	1,868	1,620	1,515	1,748	6,751
2000 census	1,610	1,610	1,421	1,574	6,215
2004 est.	1,479	1,565	1,367	1,452	5,863
2009 proj.	1,329	1,512	1,300	1,313	5,454
Growth 1990-2000	-13.81%	-0.62%	-6.20%	-9.95%	-7.94%
A.A.G. (2000-2004)	-2.10%	-0.71%	-0.96%	-2.00%	-1.45%
A.A.G. (2004-2009)	-2.12%	-0.69%	-1.00%	-1.99%	-1.44%

Source: Claritas

The racial makeup of the Comparison Neighborhood is slightly less African American than the Bywater or Irish Channel, however Tract 97 closely resembles the makeup of the Irish Channel, as described in *Table DS.11*.

Table DS.11
Comparison Neighborhood: 2004 Race by Census Tract

	Tract 96	%	Tract 97	%	Tract 105	%	Tract 106	%	TOTAL	%
2004 Estimated Population by Single Race Classification	1,479		1,565		1,367		1,452		5,863	
White Alone	610	41.2%	501	32.0%	610	44.6%	686	47.3%	2,407	41.1%
Black or African American Alone	831	56.2%	1,018	65.1%	692	50.6%	707	48.7%	3,248	55.4%
American Indian and Alaska Native Alone	9	0.6%	2	0.1%	7	0.5%	0	0.0%	18	0.3%
Asian Alone	3	0.2%	8	0.5%	11	0.8%	4	0.3%	26	0.4%
Native Hawaiian and Other Pacific Islander Alone	0	0.0%	0	0.0%	4	0.3%	2	0.1%	6	0.1%
Some Other Race Alone	10	0.7%	7	0.5%	10	0.7%	10	0.7%	37	0.6%
Two or More Races	16	1.1%	29	1.9%	33	2.4%	43	3.0%	121	2.1%

Source: Claritas

Household incomes in the Comparison Neighborhood are very similar to both the Bywater and Irish Channel. In none of the Comparison Neighborhood Census Tracts does the average household income reach the average for the City of New Orleans, and is on average more than \$10,000 less than for the City as a whole. Incomes are lowest in Census Tract 97, while they are highest, reaching over \$38,000 in Census Tract 106. This income data is presented in *Table DS.12*.

Table DS.12
Comparison Neighborhood: 2004 Estimated Households by Household Income

	Tract 96	%	Tract 97	%	Tract 105	%	Tract 106	%	TOTAL	%
2004 Estimated Households	662		675		656		698	0.0%	2,691	
Less than \$15,000	227	34.3%	254	37.6%	191	29.1%	217	31.1%	889	33.0%
\$15,000 to \$24,999	126	19.0%	108	16.0%	130	19.8%	137	19.6%	501	18.6%
\$25,000 to \$34,999	67	10.1%	107	15.9%	84	12.8%	101	14.5%	359	13.3%
\$35,000 to \$49,999	91	13.8%	77	11.4%	105	16.0%	132	18.9%	405	15.1%
\$50,000 to \$74,999	50	7.6%	71	10.5%	77	11.7%	68	9.7%	266	9.9%
\$75,000 to \$99,999	53	8.0%	32	4.7%	28	4.3%	16	2.3%	129	4.8%
\$100,000 to \$149,999	27	4.1%	26	3.9%	24	3.7%	12	1.7%	89	3.3%
\$150,000 to \$249,999	17	2.6%	0	0.0%	12	1.8%	11	1.6%	40	1.5%
\$250,000 to \$499,999	4	0.6%	0	0.0%	5	0.8%	4	0.6%	13	0.5%
\$500,000 or more	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2004 Estimated Average Household Income	\$38,804		\$30,582		\$38,678		\$33,610		\$35,364	
2004 Estimated Median Household Income	\$23,254		\$22,731		\$25,833		\$24,635		\$24,112	
2004 Estimated Per Capita Income	\$17,444		\$13,234		\$18,699		\$16,797		\$16,452	

Source: Claritas

In terms of housing, nearly 60% of all occupied housing in the Comparison Neighborhood is renter occupied. Census Tract 106 has the lowest owner occupancy rate, with Tract 97 having the highest, at 42.8%, as shown in *Table DS.13*.

Table DS.13
Comparison Neighborhood: 2004 Tenure of Occupied Housing Units by
Census Tract

	Owner Occupied	% Owner Occupied	Renter Occupied	% Renter Occupied	Total Units
Tract 96	281	42.5%	381	57.6%	662
Tract 97	289	42.8%	386	57.2%	675
Tract 105	278	42.4%	378	57.6%	656
Tract 106	265	38.0%	433	62.0%	698
TOTAL	1,113	41.4%	1,578	58.6%	2,691

Source: Claritas

Summary of All Areas Studied

Total population for the City of New Orleans (Orleans Parish) is declining, losing a total of almost 2.5% from 1990 to 2000, and an average of nearly 1% per year since 2000. This is in stark contrast to the growth occurring in the United States, growth of 13.15% from 1990 to 2000, and of over 1% in each year since. Population within the State of Louisiana, while not growing as rapidly as the U.S. as a whole, is growing nevertheless. Louisiana experienced population growth of nearly 6% from 1990 to 2000, and averaged 0.21% growth in the years after.

The areas which are part of this study, like the City of New Orleans, are losing population, as shown in *Table DS.14*. The Irish Channel and the Comparison Neighborhood are losing population at similar rates, of approximately 1.5% per year. The Bywater Neighborhood is losing population at a rate of less than 0.5% per year.

Table DS.14
Total Population

	Bywater	Irish Channel	Comparison Neighborhood	Orleans Parish	State of Louisiana	United States
1990 census	8,803	5,322	6,751	496,938	4,219,973	248,709,873
2000 census	8,839	4,676	6,215	484,674	4,468,976	281,421,906
2004 est.	8,702	4,394	5,863	467,209	4,506,731	292,936,668
2009 proj.	8,538	4,072	5,454	447,547	4,568,709	307,115,866
Growth 1990-2000	0.41%	-12.14%	-7.94%	-2.47%	5.90%	13.15%
A.A.G. (2000-2004)	-0.39%	-1.54%	-1.45%	-0.91%	0.21%	1.01%
A.A.G.(2004-2009)	-0.38%	-1.51%	-1.44%	-0.86%	0.27%	0.95%

Source: Claritas

The Racial makeup of both the Bywater and Irish Channel closely resemble the pattern for the City of New Orleans as a whole, with 60-70% African American. The Comparison

Neighborhood, while made up of a majority of African American residents, has a more equal distribution of white residents than the other areas studied, as shown in *Table DS.15*.

Table DS.15
2004 Racial Makeup

	Bywater	%	Irish Channel	%	Comp. N'hood	%	Orleans Parish	%	State of Louisiana	%	United States	%
2004 Estimated Population by Single Race Classification	8,702		4,394		5,863		467,209		4,506,731		292,936,668	
White Alone	2,461	28.3%	1,287	29.3%	2,407	41.1%	129,426	27.7%	2,842,068	63.1%	216,091,709	73.8%
Black or African American Alone	6,026	69.3%	2,950	67.1%	3,248	55.4%	312,669	66.9%	1,482,054	32.9%	36,299,387	12.4%
American Indian and Alaska Native Alone	18	0.2%	10	0.2%	18	0.3%	910	0.2%	25,557	0.6%	2,643,544	0.9%
Asian Alone	41	0.5%	11	0.3%	26	0.4%	12,157	2.6%	64,943	1.4%	11,840,962	4.0%
Native Hawaiian and Other Pacific Islander Alone	3	0.0%	0	0.0%	6	0.1%	174	0.0%	1,831	0.0%	445,710	0.2%
Some Other Race Alone	50	0.6%	36	0.8%	37	0.6%	4,451	1.0%	33,951	0.8%	17,823,322	6.1%
Two or More Races	103	1.2%	100	2.3%	121	2.1%	7,422	1.6%	56,327	1.3%	7,792,034	2.7%

Source: Claritas

The Household incomes of the study areas, as shown in *Table DS.16*, are all significantly lower than for the City of New Orleans, for the State of Louisiana, and for the United States. Incomes within the Bywater, Irish Channel, and Comparison Neighborhood are approximately \$12 – 14,000 less than the average in New Orleans. The lowest average incomes were in the Bywater neighborhood, with the highest being in the Comparison Neighborhood.

Table DS.16
2004 Estimated Households by Household Income (%)

	Bywater	Irish Channel	Comparison Neighborhood	Orleans Parish	State of Louisiana	United States
2004 Estimated Households	3,568	2,932	2,691	182,120	1,681,755	109,949,228
Less than \$15,000	36.7%	36.4%	33.0%	28.89%	22.45%	14.67%
\$15,000 to \$24,999	17.5%	13.4%	18.6%	14.53%	13.56%	11.28%
\$25,000 to \$34,999	15.4%	14.4%	13.3%	13.38%	13.19%	12.27%
\$35,000 to \$49,999	11.7%	14.7%	15.1%	13.80%	14.99%	15.39%
\$50,000 to \$74,999	10.4%	10.7%	9.9%	13.08%	16.64%	19.10%
\$75,000 to \$99,999	4.6%	4.7%	4.8%	6.75%	9.10%	11.61%
\$100,000 to \$149,999	2.1%	3.1%	3.3%	5.12%	6.50%	9.43%
\$150,000 to \$249,999	1.0%	1.5%	1.5%	2.71%	2.44%	4.36%
\$250,000 to \$499,999	0.6%	1.0%	0.5%	1.16%	0.80%	1.29%
\$500,000 or more	0.1%	0.1%	0.0%	0.58%	0.32%	0.60%
2004 Estimated Average Household Income	\$33,428	\$37,478	\$35,364	\$47,572	\$50,060	\$63,301
2004 Estimated Median Household Income	\$22,628	\$25,118	\$24,112	\$29,911	\$35,795	\$46,475
2004 Estimated Per Capita Income	\$14,182	\$18,079	\$16,452	\$19,043	\$18,972	\$24,092

Source: Claritas

In the study areas, the percentage of owner occupied housing varied (see *Table DS.17*). The Bywater and Comparison neighborhoods have similar rates of owner occupied housing, at approximately 41%, while the Irish Channel is significantly lower, at 30%. In all cases, this is lower than for the City of New Orleans as a whole, and substantially (nearly thirty percentage points) lower than for the State of Louisiana and the whole of the United States.

Table DS.17
2004 Tenure of Occupied Housing Units

	Owner Occupied	% Owner Occupied	Renter Occupied	% Renter Occupied	Total Units
Bywater	1,434	40.2%	2,134	59.8%	3,568
Irish Channel	901	30.7%	2,031	69.3%	2,932
Comparison Neighborhood	1,113	41.4%	1,578	58.6%	2,691
Orleans Parish	84,666	46.5%	97,454	53.5%	182,120
State of Louisiana	1,149,105	68.3%	532,650	31.7%	1,681,755
United States	73,079,818	66.5%	36,869,410	33.5%	109,949,228

Source: Claritas

Chapter 5: Methodology

Introduction

In order to analyze the effects of historic district designation on property values in New Orleans, the author sought to compile a database of property values over time. All property sales for residential properties over ten year period (1993-2003) were entered into a spreadsheet program, and sorted to isolate properties within two selected historic districts and one comparison neighborhood. After adjusting for inflation, average sales prices per year were calculated for each district studied, as well as for the Comparison Neighborhood and for the City of New Orleans as a whole. Next, average sales price per square foot were calculated. These averages were compared in an effort to determine if property values rose more or were more stable in historic districts. The following section more exactly describes the methodology used and the reasoning for selections made.

Description of Research Contemplated

It should be noted that the initial source of data used for this analysis was tax assessment data from the City of New Orleans. In mid-2003, tax assessments for all real property within the City were posted on the City of New Orleans website. The author began the arduous process of searching the database by street name, and copying the assessment data into a spreadsheet program. This method of studying property values, however, proved to be overly complicated and riddled with problems. Apart from regular difficulties accessing the database (which would be shut down on a random, sometimes hourly basis), it was discovered that the data within those files was not reliable. A very preliminary comparison of MLS property data and tax assessment data showed an unreasonable number of inconsistencies: while in approximately 70% of the cases, the MLS sales price and sales price recorded by the Assessors were consistent, for the remainder of cases, MLS sales prices were as much as 300% higher than the sales price recorded by the City Tax Assessors. Upon further inspection and analysis, it was determined by the author that re-assessments of property values were random at best, and corrupt at worst. In 2002, the First District Tax Assessor was investigated for fraudulent assessments, and currently, the records of the Tax Assessors for the City of New Orleans are being audited by the State of Louisiana. The widespread inaccuracies of tax assessment values caused the author to disregard tax assessment data in favor of the market-regulated, privately gathered sales data contained within the Multiple Listing Service database.

Description of Research Undertaken

Data Compiled

MLS sales data included in the analysis were: Sales Price, Square Footage, Sale Price Per Square Foot, and Sale Date. In order to compile the data used, the MLS database was searched for each street within the historic districts and neighborhoods, and sorted according to street number. These street numbers were compared to the street numbers for the properties contained within the local historic districts. The street numbers for these districts were gleaned from comparison of the official HDLC maps, use of the internet mapping service, MapQuest, and site visits by the author.

Data Analyzed

Once the sales data for each street within the historic districts was downloaded from the MLS website, it was sorted according to street number. The street numbers for each street were compared to the historic district boundaries listed above, and those properties falling outside of the historic district were eliminated from the tabulation spreadsheets. Once only historic district properties populated the database, these were sorted by sale date. Average sales price and average sales price per square foot were calculated for each year of study.

However, for comparison purposes, it was determined that these sales prices must be compared on a level playing field, and were therefore adjusted to reflect the impacts of inflation. The United States Bureau of Labor Statistics “Inflation Calculator”, and accompanying charts was used in making this adjustment (see *Definitions – Inflation Adjustment*). First, each property’s sales price was adjusted for inflation and average sales price per year calculated. Secondly, using the adjusted sales prices, price per square foot was calculated using the square footage data from within the MLS data set. Average sales price per square foot was calculated for each year of analysis.

Further, the total number of sales within each district were tabulated. Fluctuations in numbers of property sales within each district, the City of New Orleans, and for the comparison neighborhood were charted and analyzed.

Note Regarding Factors Not Specifically Addressed

The Irish Channel Local Historic District and the Comparison Neighborhood are both located in close proximity to the former St. Thomas Public Housing Development, with the Irish Channel being directly adjacent to it. While the removal of this public housing development is referred to in the text of this report, a separate analysis was not performed of the impacts of the development’s closing and subsequent demolition.

Beginning in the mid 1990s, the Housing Authority of New Orleans and the residents of the St. Thomas Housing Development devised a plan to demolish the existing housing development and replace it with lower density public housing mixed with neighborhood commercial uses. In 1996, the City of New Orleans received a Federal Hope VI grant to revitalize the site of the St. Thomas Housing Development. In 1999, the City received a Hope VI Demolition Grant. Once received, contract negotiations for the development began. However, the redevelopment of the site was substantially delayed by protests from throughout the City of New Orleans. As of August 2001, approximately 1,400 of 1,500 housing units had been demolished, with the remaining being preserved for historical purposes and with the intent of being converted to office space for the site’s developer. As of the summer of 2004, the commercial development component of the site opened its doors. As of the publishing of this document, construction continues on the housing element of this plan. It should be noted that the housing element included is a mixed-income newly constructed neighborhood with both market rate homes for sale as well as a limited number of homes available for former residents of the St. Thomas Housing Development.

The demolition of a housing development well-known for its high crime rate, and subsequent replacement with a high intensity commercial development and market rate housing

has surely had a positive impact on the property values of both the Irish Channel and the Comparison Neighborhood. However, as this redevelopment went through many stages of uncertainty, no one date can be pinpointed as the beginning of that positive effect. Therefore, the author was unable in the foregoing analysis to isolate this event from the data studied.

Summary

The basis of this study is to analyze real property values in historic districts in the City of New Orleans. Forming this analysis is a comprehensive database of sales prices of residential properties over a ten year period. Changes in inflation adjusted average sales price and average sales price per square foot were the measures used to determine if property values in historic districts increased faster or were more stabilized than in comparable areas and the city as a whole.

Chapter 6: Test of Hypothesis

Introduction

Chapter 6 tests the previously stated hypothesis: Within the City of New Orleans, historic district designation and protections have a positive or at least stabilizing impact on property values within the district as compared to the city as a whole.

The following section presents the data compiled on property values in New Orleans, LA. Sales activity for the two selected historic districts, the Comparison Neighborhood, and for the entire City of New Orleans is presented to show whether there was increased interest in purchasing homes in the selected historic districts versus other areas of New Orleans. Next, Average Sales Prices are presented for all of these areas, with absolute and average annual growth in sales price calculated. Lastly, the Average Sales Price Per Square Foot was calculated for each area for each year studied, and is presented as another measure for growth in property value, one that factors out the size of residential properties and creates a more level playing field on which to compare trends.

Sales Activity

Bywater Local Historic District

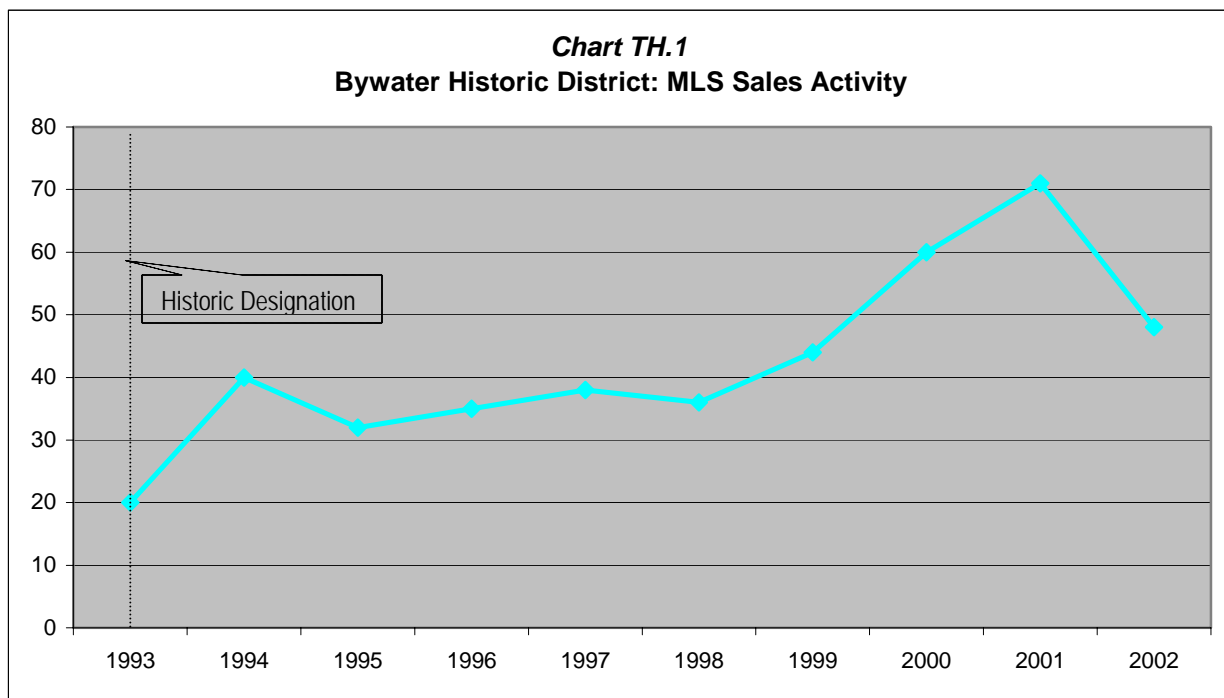
Sales Activity in the Bywater Local Historic District has increased steadily over the past ten years. Average annual growth in number of sales was 10.22% over the study period. The change in sentiment about the neighborhood is evident in this statistic; an area that did not see much sales activity at the beginning of the historic district period, saw a dramatic increase in activity over the following years – it became a “hot” neighborhood. This is presented in *Table TH.1* and *Chart TH.1*.

Table TH.1

MLS Sales Activity

Bywater Local Historic District		
Year	# Sales	% Change
1993	20	
1994	40	100.00%
1995	32	-20.00%
1996	35	9.38%
1997	38	8.57%
1998	36	-5.26%
1999	44	22.22%
2000	60	36.36%
2001	71	18.33%
2002	48	-32.39%
A.A.G. (1993-2002)		10.22%
% Change (1993-2002)		140.00%

Source: Multiple Listing Service (MLS); S. Leckert



This increase in sales activity during the study period is interesting when compared to the demographic trend of the area, as presented in the *Economic & Demographic Analysis of Study Areas* section of this report. While sales activity increased steadily, at 10.22% per year from 1993 to 2003, the population in this area grew only a negligible amount, at an average annual rate of 0.05% from 1990 to 2000. Since 2000, these Census tracts have steadily lost population, by approximately 0.4% annually, and this trend is expected to continue. Comparing the rise in sales to the loss in population points to a couple of possible explanations: 1) homes formerly occupied by families are being purchased by singles or couples; or 2) homes that were formerly two-family dwellings (as “doubles” are a common house type in the neighborhood) are being purchased and converted into single family homes. Either scenario 1) or 2) could result in the reduction in population density.

Irish Channel Local Historic District

Sales Activity in the Irish Channel Local Historic District has increased steadily over the past ten years. Average annual growth in number of sales was 11.92% over the study period. The change in sentiment about the neighborhood is evident in this statistic; an area that did not see much sales activity at the beginning of the study period, saw a dramatic increase in activity over the following years, the time during which the neighborhood’s historic designation was being considered – it became a “hot” neighborhood. This data is presented in *Table TH.2* and *Chart TH.2*.

Table TH.2
MLS Sales Activity

Irish Channel Local Historic District	
Year	# of Sales
1993	12
1994	18
1995	19
1996	22
1997	13
1998	28
1999	22
2000	25
2001	23
2002	40
2003	37
A.A.G. (1993-2003)	11.92%
% Change (1993-2003)	208.33%

Source: Multiple Listing Service (MLS); S. Leckert



Like the Bywater area, the demographics of the Irish Channel appear to be in contrast to this steady increase in sales activity. While the number of home sales grew steadily in the Irish Channel from 1993 to 2003, the population in this area declined steadily, at an average annual rate of 12.14%. This decline is, however, misleading due to the closure of the St. Thomas Housing Development and dramatic decrease in population that was experienced in its Census

Tract. Nevertheless, Claritas projections show a continued decrease in neighborhood population, of approximately 1.5% annually. As with the Bywater neighborhood, comparing the rise in sales to the loss in population points to a couple of possible explanations: 1) homes formerly occupied by families are being purchased by singles or couples; or 2) homes that were formerly two-family dwellings (as “doubles” are a common house type in the neighborhood) are being purchased and converted into single family homes. Either scenario 1) or 2) could result in the reduction in population density.

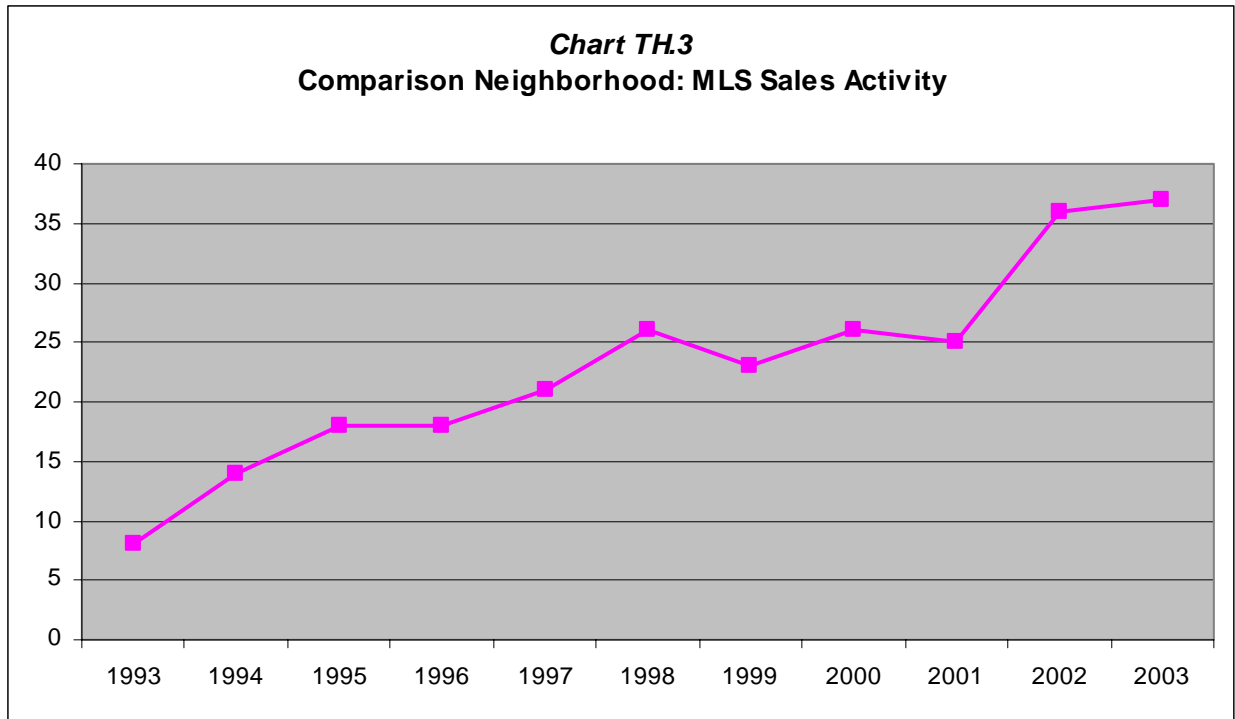
Comparison Neighborhood

Sales Activity in the Comparison Neighborhood has increased steadily over the past ten years. Average annual growth in number of sales was 16.552% over the study period. The change in sentiment about the neighborhood is evident in this statistic; an area that did not see much sales activity at the beginning of the study period, saw a dramatic increase in activity over the following years – it became a “hot” neighborhood. This data is presented in *Table TH.3* and *Chart TH.3*.

Table TH.3
MLS Sales Activity

Comparison Neighborhood	
Year	# of Sales
1993	8
1994	14
1995	18
1996	18
1997	21
1998	26
1999	23
2000	26
2001	25
2002	36
2003	37
A.A.G. (1993-2003)	16.55%
% Change (1993-2003)	362.50%

Source: Multiple Listing Service (MLS); S. Leckert



The Comparison Neighborhood, chosen for its similar housing stock, demographic makeup, and “hot neighborhood” status, saw a similar paradox in housing sales and population loss. The Comparison Neighborhood experienced a loss of 7.94% annually from 1990 to 2000. This rate has slowed, however, to 1.4% annually. It would appear that the same trend occurring in the adjacent Irish Channel and the Bywater of multiple family homes being purchased and renovated into single family homes as well as families being replaced by singles and couples holds true here as well.

All Areas Studied

Sales Activity in the City of New Orleans has been steady over the past ten years. Average annual growth in number of sales was 9% over the study period. This rate is slightly higher than experienced in the Bywater, yet substantially less than experienced in the Irish Channel and the Comparison Neighborhood. The Comparison Neighborhood saw the greatest growth in sales activity – at an average annual growth rate of 17%. The Irish Channel saw the second highest growth rate, at 12%. The number of sales per year per area are detailed in *Table TH.4* below.

Table TH.4
All Areas Studied: MLS Sales Activity

	Bywater	Irish Channel	Comparison Neighborhood	City of New Orleans
1993	20	12	8	444
1994	40	18	14	822
1995	32	19	18	869
1996	35	22	18	861
1997	38	13	21	891
1998	36	28	26	905
1999	44	22	23	926
2000	60	25	26	885
2001	71	23	25	862
2002	48	40	36	885
2003	35	37	37	1,045
A.A.G. (1993-2003)	6%	12%	17%	9%
% Change (1993-2003)	75%	208%	363%	135%

Source: Multiple Listing Service; S. Leckert

*In 2003 Dollars

However, this calculation is misleading due to the dramatic increase in sales activity that occurred in 2003. In 2003, mortgage interest rates fell to all-time lows and home purchases throughout the United States increased dramatically. This increased activity in the home-buying market was experienced in New Orleans as well – with an increase of 18% in activity in 2003 as compared to 2002.

Table TH.5 presents the sales activity for the study areas after the excluding the years 1993 and 2003 from analysis. As the number of sales reported in New Orleans in 1993 was so low (444), and sales reported in 2003 so high (1,045) as to be considered outliers, a separate analysis was performed eliminating these data points. This analysis proves very insightful, showing the most dramatic growth in sales occurring in the Irish Channel and Comparison Neighborhood. Sales growth in the city as a whole was very small, with an average annual growth of less than one percent. Sales growth in the Bywater was similarly small, at an average annual growth rate of 2.31%. The data would appear to suggest that during the past 10 years, the Comparison Neighborhood, not yet historically designated but containing similar housing stock to the Irish Channel and benefiting from the designation of the adjoining neighborhood, was the “hottest” of the areas studied. The Irish Channel was the second “hottest” during the study period. It should be noted that the greatest increase in sales in the Irish Channel occurred during the nomination period for that district, in the year prior to official designation – in 2002.

Table TH.5
All Areas Studies: MLS Sales Activity Excluding Years 1993 and 2003

	Bywater	Irish Channel	Comparison Neighborhood	City of New Orleans
1994	40	18	14	822
1995	32	19	18	869
1996	35	22	18	861
1997	38	13	21	891
1998	36	28	26	905
1999	44	22	23	926
2000	60	25	26	885
2001	71	23	25	862
2002	48	40	36	885
A.A.G. (1994-2002)	2.31%	10.50%	12.53%	0.93%
% Change (1994-2002)	20.00%	122.22%	157.14%	7.66%

Source: Multiple Listing Service; S. Leckert

*In 2003 Dollars

Average Sales Price

Bywater Local Historic District

The average sales price for residential properties in the Bywater Local Historic District, after being adjusted for inflation, increased at an average annual rate of 9.8% during the study period. In every year but 2002, the average sales price was higher than in the previous year. The average sales price in 1993 was barely over \$49,000; the average in 2003 was over \$125,000. In total, the average sales price for this neighborhood has risen by nearly 155% from 1993 to 2003, as demonstrated in *Table TH.6* and *Chart TH.4* below.

As the Bywater received its official historic status in 1993, the beginning of the study period, sales prices before designation could not be analyzed.

Table TH.6

MLS Average Sales Price . *

Bywater Local Historic District

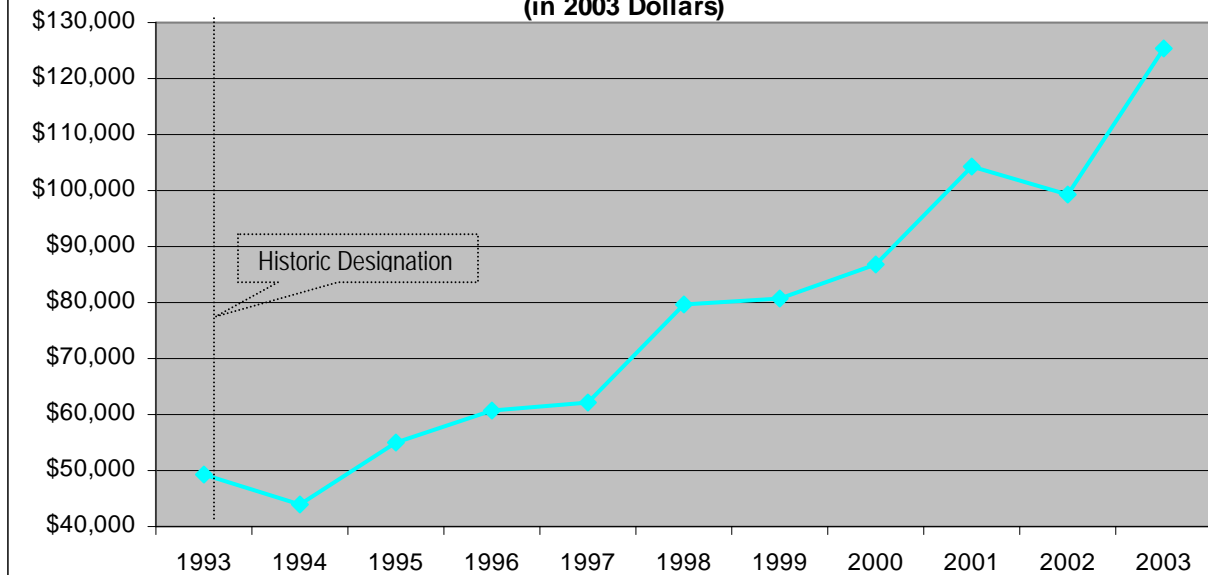
Year	Price	% Change
1993	\$49,323	
1994	\$44,077	-10.63%
1995	\$54,997	24.77%
1996	\$60,857	10.65%
1997	\$62,186	2.18%
1998	\$79,794	28.31%
1999	\$80,727	1.17%
2000	\$86,808	7.53%
2001	\$104,450	20.32%
2002	\$99,107	-5.12%
2003	\$125,435	26.56%
A.A.G. (1993-2003)		9.8%
% Change (1993-2003)		154.3%

Source: Multiple Listing Service (MLS); Bureau of Labor Statistics; S. Leckert

* In 2003 dollars

Chart TH.4

**Bywater Historic District: Average MLS Sales Price
(in 2003 Dollars)**



Irish Channel Local Historic District

The average sales price for residential properties in the Irish Channel Local Historic District, after being adjusted for inflation, increased at an average annual rate of 4.54% during the study period. In all but three years, 1996, 2001, and 2003, the average sales price was

higher than in the previous year. The average sales price in 1993 was almost \$107,000; the average in 2003 was over \$166,000. In total, the average sales price for this neighborhood has risen by over 55% from 1993 to 2003, as shown in *Table TH.7* and *Chart TH.5*.

It should be noted that in 2002, the year of historic designation, sales prices went up 18% in the Irish Channel. In the following year, possibly because of over-inflated property values in the year prior, sales prices declined slightly, by 0.28%%. Additionally, in the year prior to the area receiving limited protections (through its nomination as an historic district), property values rose dramatically, by 39%. This rise could be attributed to “buzz” surrounding the soon-to-be designated neighborhood.

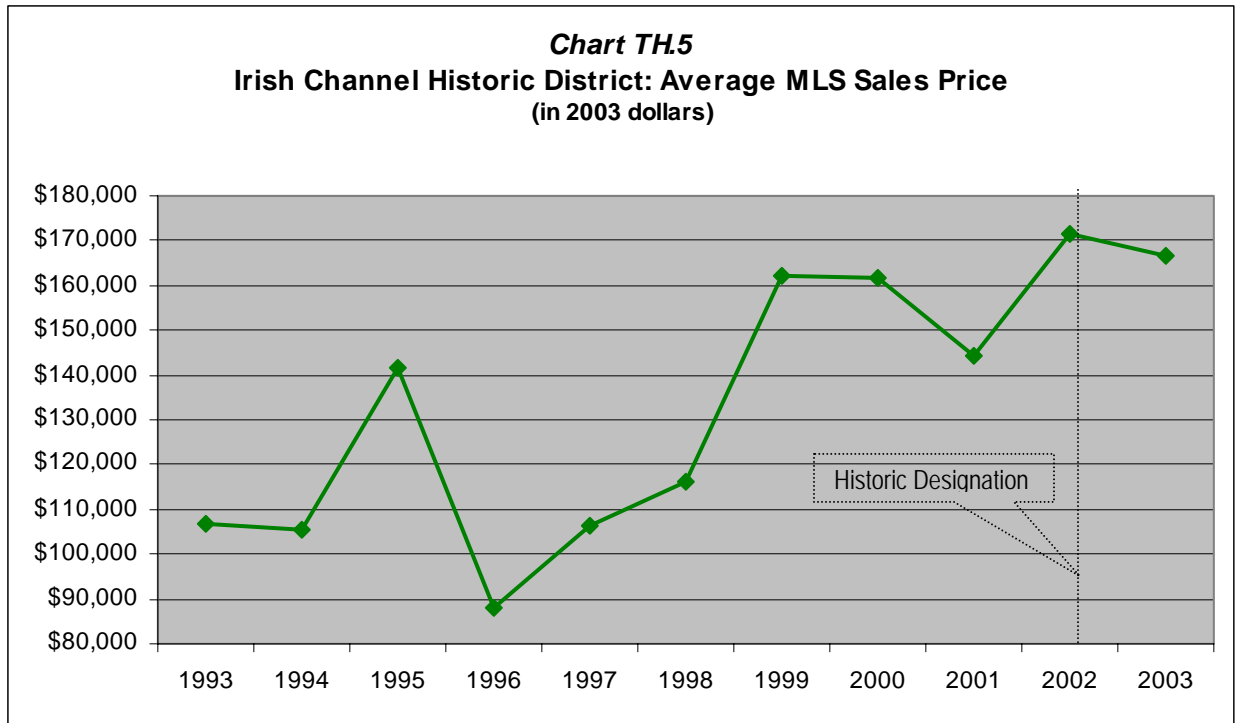
Table TH.7
MLS Average Sale Price

Irish Channel Local Historic District*

Year	Price	% Change
1993	\$106,907	
1994	\$105,309	-1.49%
1995	\$141,560	34.42%
1996	\$87,819	-37.96%
1997	\$106,533	21.31%
1998	\$115,955	8.84%
1999	\$162,244	39.92%
2000	\$161,785	-0.28%
2001	\$144,429	-10.73%
2002	\$171,367	18.65%
2003	\$166,612	-2.77%
A.A.G. (1993-2003)	4.54%	
% Change (1993-2003)	55.85%	

Source: Multiple Listing Service(MLS); Bureau of Labor
Statistics Consumer Price Index; S. Leckert

*In 2003 dollars



Comparison Neighborhood

The average sales price for residential properties in the Comparison Neighborhood, after being adjusted for inflation, increased at an average annual rate of 6.82% during the study period. However, in all but three years, the average sales price was lower than in the previous year – the average sales price fluctuated greatly, although generally rising. The average sales price in 1993 was \$111,000; the average in 2003 was over \$216,000. In total, the average sales price for this neighborhood has risen by over 93% from 1993 to 2003, as shown in *Table TH.8* and *Chart TH.6*.

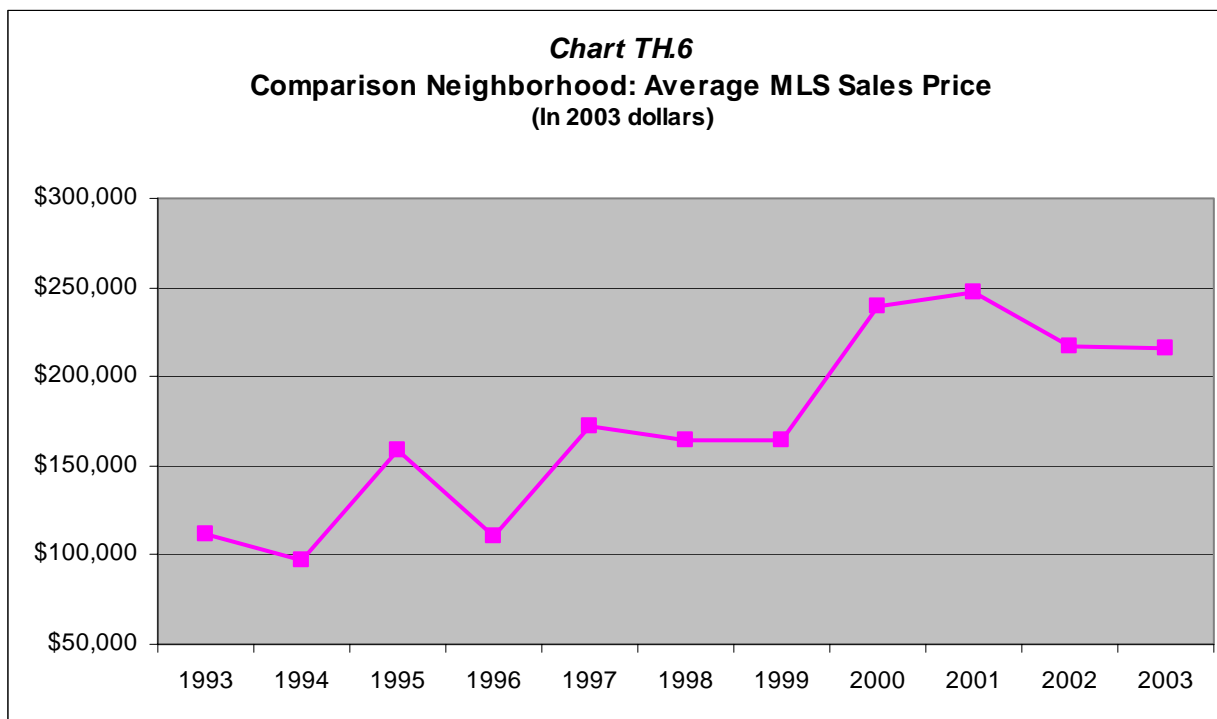
Table TH.8
MLS Average Sale Price*
Comparison Neighborhood

Year	Price	% Change
1993	\$111,820	
1994	\$96,913	-13.33%
1995	\$158,259	63.30%
1996	\$110,007	-30.49%
1997	\$171,850	56.22%
1998	\$163,993	-4.57%
1999	\$163,921	-0.04%
2000	\$239,814	46.30%
2001	\$246,895	2.95%
2002	\$216,727	-12.22%
2003	\$216,241	-0.22%
A.A.G. (1993-2003)	6.82%	
% Change (1993-2003)	93.38%	

Source: Multiple Listing Service(MLS); Bureau of Labor Statistics
Consumer Price Index; S. Leckert

*In 2003 dollars

Chart TH.6
Comparison Neighborhood: Average MLS Sales Price
(In 2003 dollars)



All Areas Studied

The average sales price for residential properties in the City of New Orleans, after being adjusted for inflation, increased at an average annual rate of 4.5% during the study period. However, in two years, the average sales price was lower than in the previous year. The average sales price in 1993 was \$121,000; the average in 2003 was over \$189,000. In total, the average

sales price for the City of New Orleans has risen by over 55% from 1993 to 2003, as demonstrated in *Table TH.9*.

Table TH.9
City of New Orleans: MLS Average Sales Price*

Year	Average Sale Price	% change in avg. price
1993	\$121,845	
1994	\$122,307	0.38%
1995	\$117,228	-4.15%
1996	\$125,945	7.44%
1997	\$133,872	6.29%
1998	\$148,297	10.78%
1999	\$150,107	1.22%
2000	\$164,234	9.41%
2001	\$163,383	-0.52%
2002	\$182,634	11.78%
2003	\$189,442	3.73%
A.A.G. (1993-2003)	4.5%	
% change (1993-2003)	55.5%	

Source: Multiple Listing Service; Bureau of Labor Statistics; S. Leckert

*In 2003 Dollars

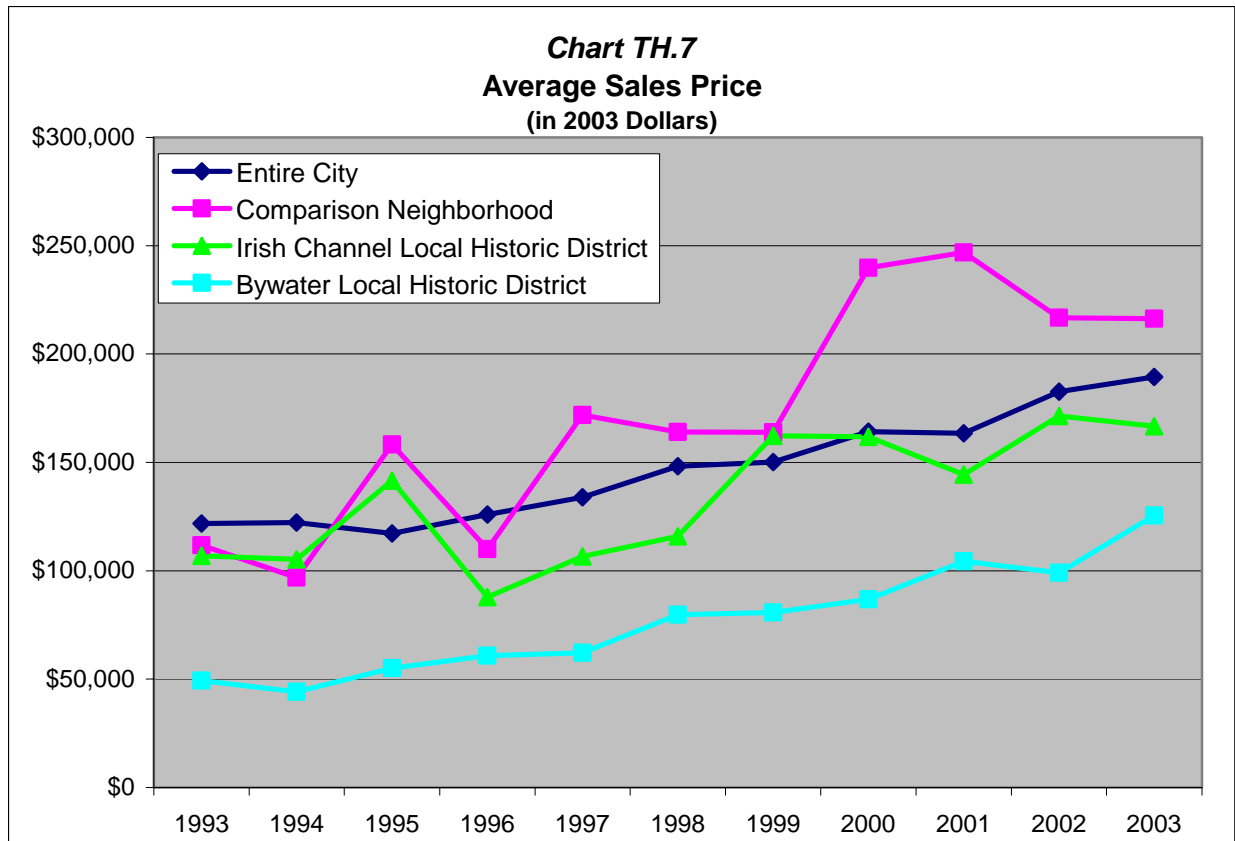
When compared to the areas studied, the City of New Orleans as a whole saw the lowest growth rates in average sales price over the study period. The area that saw the most dramatic increase in average sale price was the Bywater, experiencing an average of 9.8% growth annually, for a total growth of 155%. The Irish Channel saw a growth in average sale price only slightly higher than experienced by the City as a whole, at 4.5% annually or 56% over the ten year period. The Comparison Neighborhood saw the second highest growth rate, of nearly 7% annually, for total growth of 93%. This sales data is presented in the Table TH.10 and Chart TH.7.

Table TH.10
All Areas Studied: MLS Average Sales Price*

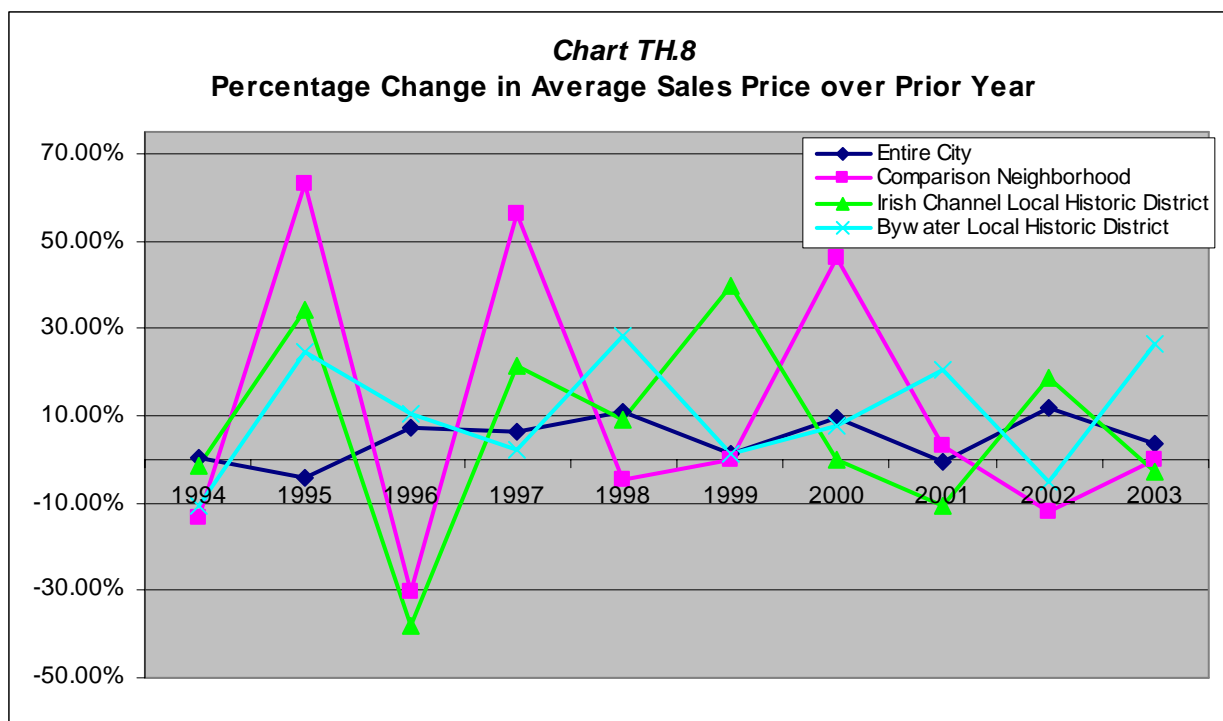
	Bywater	Irish Channel	Comparison Neighborhood	City of New Orleans
1993	\$49,323	\$106,907	\$111,820	\$121,845
2003	\$125,435	\$166,612	\$216,241	\$189,442
A.A.G. (1993-2003)	9.8%	4.54%	6.82%	4.50%
% Change (1993-2003)	154.3%	55.85%	93.38%	55.50%

Source: Multiple Listing Service; Bureau of Labor Statistics; S. Leckert

*In 2003 Dollars



The following chart describes the percentage change in average sales price over the prior year for the City of New Orleans, the two historic districts studied, and for the Comparison Neighborhood. During the study period, both the Comparison Neighborhood and the Irish Channel experienced great fluctuations in average sales prices, while both the Bywater and the entire city experienced much more even growth. Throughout this period, Bywater was a locally designated district, while the Irish Channel was not, only becoming nominated for such status in 2000. It is interesting to note that changes in average sales price in the Irish Channel became much less dramatic from this point forward. Similarly, the Comparison Neighborhood, which possibly benefited from its location adjacent to the Irish Channel, began to see much more regular growth patterns.



When the MLS categories of the French Quarter and Garden District are removed from analysis due to their predominantly historically designated and or protected properties (the Irish Channel Local Historic District is contained within the Garden District MLS listing), the following results (see Table TH.11).

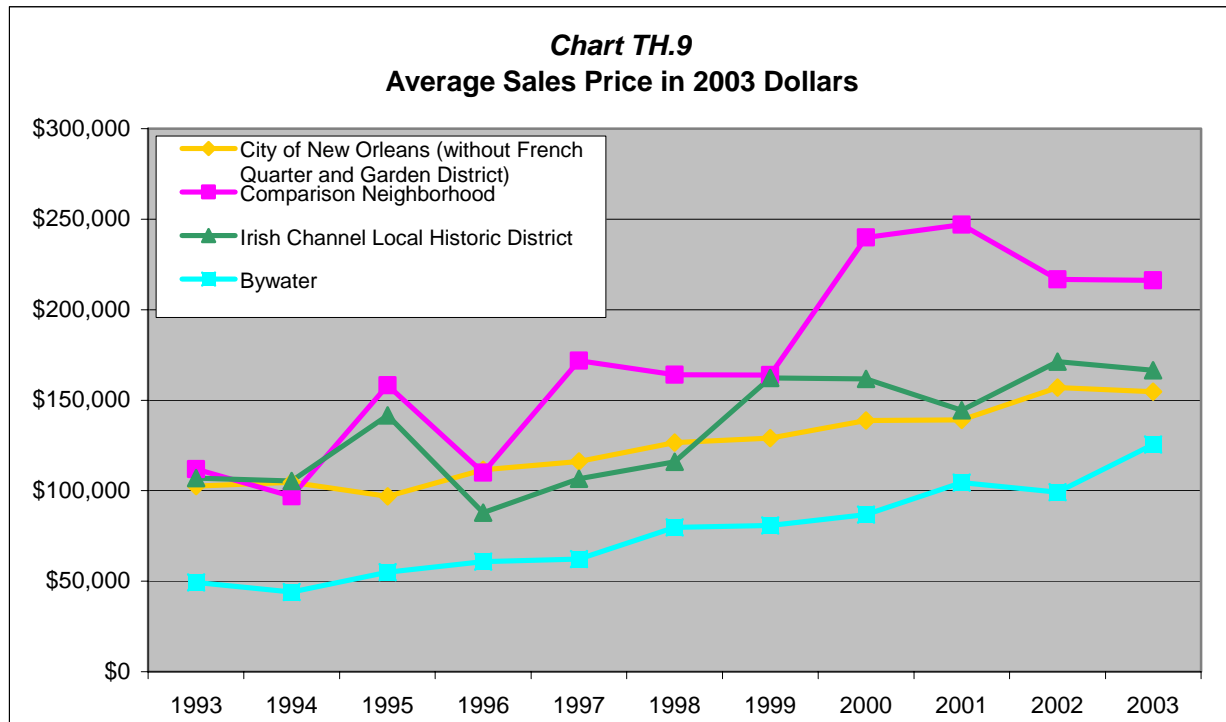
Table TH.11
MLS Statistics: City of New Orleans (without French Quarter & Garden District MLS)*

Year	Average Sale Price	% change in avg. price
1993	\$102,522	
1994	\$104,672	2.10%
1995	\$96,949	-7.38%
1996	\$111,636	15.15%
1997	\$116,122	4.02%
1998	\$126,565	8.99%
1999	\$129,091	2.00%
2000	\$138,806	7.53%
2001	\$139,043	0.17%
2002	\$156,982	12.90%
2003	\$154,736	-1.43%
A.A.G. (1993-2003)		4.20%
% change (1993-2003)		50.93%

* In 2003 dollars

Source: Multiple Listing Service; Bureau of Labor Statistics; S. Leckert

When these areas are removed from analysis, the average sale price in 2003 drops from \$189,000 to \$154,000. The Average Sales Price for all areas studied are presented in *Chart TH.9*.



When the MLS neighborhoods that consist of mainly historic properties and districts are eliminated, it becomes obvious that the Irish Channel historic district was not affected by the slowed growth that occurred throughout the rest of the city from 1998 until 2002. During that period, the period under which the Irish Channel was being considered for local historic designation, prices per square foot continued to rise steadily in the Channel. Similarly, property values in the comparison neighborhood rose at an equal if not greater pace. However, the growth experienced by the comparison neighborhood can be explained, at least partly, by the growth in the Irish Channel. As the Irish Channel and the Comparison Neighborhood are separated by only one street, with the Comparison Neighborhood bounded on the other side by an already thriving and prosperous neighborhood, the Comparison Neighborhood benefited by the increased interest and investment in the Irish Channel. Those possibly not willing to be pioneers in the soon-to-be historic district, but yet unable to afford homes in the already established neighborhoods on the Upriver side of Napoleon Avenue, were lured to that neighborhood, in part, by the pull of the soon-to-be local historic district, and the promise that the Irish Channel would soon be revitalized.

Comparison to Other Studies

The following table compares the rise in property values in New Orleans to what was revealed in studies of other cities (refer to *Literature Review*). In all cases, property values within historic districts grew faster than in non-historic districts or the city as a whole. On the high end, in Galveston and Fredericksburg, the rise in property value for historic districts was

14% higher than citywide. On the low end was Greensboro, with historically designated districts experiencing only 0.3% greater growth than non-designated ones. In the case of Greensboro, this is somewhat misleading as the study period was brief, only 5 years, and the historic districts were only established two years into the study period; greater property value increases could be experienced in future years.

As shown in *Table TH.12*, in New Orleans, property values in the two studied historic districts grew at average annual rates of 4.54% and 9.8%, while prices in the Comparison Neighborhood and City of New Orleans as a whole grew by 6.8% and 4.5%, respectively. The new historic district studied, the Irish Channel, saw only slightly faster growth than the city as a whole, yet not as much as the Comparison Neighborhood. This would appear to be somewhat similar to the trend experienced in Greensboro. Conversely, the much faster rate of property value growth experienced in the Bywater could possibly be attributed to its long-standing historic status.

Table TH.12
Average Annual Growth in Mean Property Value

Study Area	Historically Designated Districts	Non-designated Neighborhoods	Citywide	Points Higher in Historic Districts
Galveston & Fredericksburg (1971-1990)	35%		22%	14%
Knoxville (1990-1995)	5.4 - 36.6%		5%	0.7 % - 31.9%
Greensboro (1972-1996)	7.1 - 8.5%	7.4 - 8.2%		0.3%
Washington (1975-81; 1981-87)	2.02% - 15.65%	1.02% - 14.68%	1.54% - 14.10%	0.48 - 1.55%
Brooklyn (1975-2002)	10.8%	8.5%		2.3%
New Orleans (1993-2003)	4.54% - 9.8%	6.8%	4.50%	0.04 - 4.3%

Source: Rympeka; Bennett; Leimenstoll; Gale; New York City Independent Budget Office; S. Leckert

Average Sales Price Per Square Foot

Bywater Local Historic District

After being adjusted for inflation, the average sales price per square foot in the Bywater Local Historic District was \$34 in 1993, growing to \$70 in 2003. Average annual growth in average sales price per square foot was 7.5% during the study period, for a total growth of 106%. This data is presented in *Table TH.13* and *Chart TH.10*.

Table TH.13

MLS Average Sales Price Per Sq. Ft.*

Bywater Local Historic District

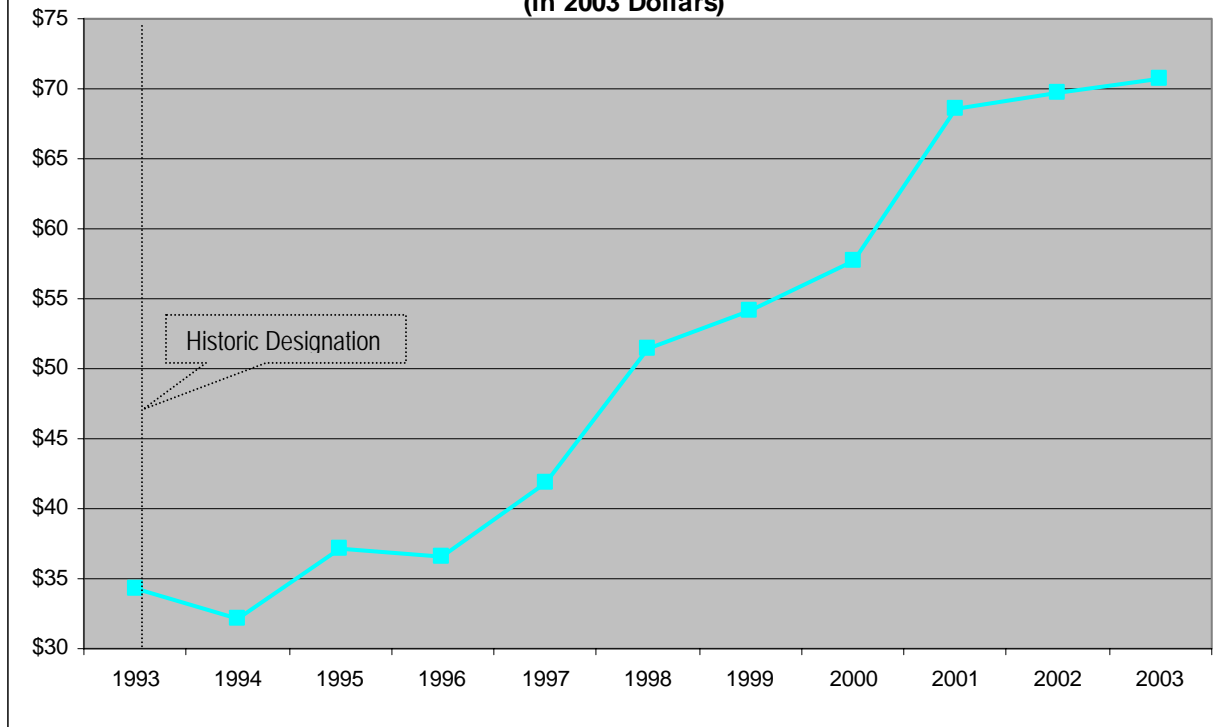
Year	Price/Sq. Ft.	% Change
1993	\$34.23	
1994	\$32.13	-6.14%
1995	\$37.14	15.61%
1996	\$36.53	-1.65%
1997	\$41.92	14.78%
1998	\$51.48	22.80%
1999	\$54.08	5.04%
2000	\$57.67	6.64%
2001	\$68.59	18.93%
2002	\$69.71	1.64%
2003	\$70.71	1.43%
A.A.G. (1993-2003)		7.5%
% Change (1993-2003)		106.6%

Source: Multiple Listing Service (MLS); Bureau of Labor Statistics; S. Leckert

* In 2003 dollars

Chart TH.10

**Bywater Historic District: Average MLS Sales Price/Sq. Ft.
(in 2003 Dollars)**



Irish Channel Local Historic District

After being adjusted for inflation, the average sales price per square foot in the Irish Channel Local Historic District was \$61 in 1993, growing to \$105 in 2003. Average annual

growth in average sales price per square foot was 5.55% during the study period, for a total growth of almost 72% (see *Table TH.14* and *Chart TH.11*).

The average sale prices per square foot in the Irish Channel changed dramatically from 1993 until 1998. Once discussions began regarding the historic designation of this neighborhood, and the addition of at least some historic district protections (during historic district nomination, the properties within the area are protected from demolition by neglect only), the price per square foot stabilized somewhat.

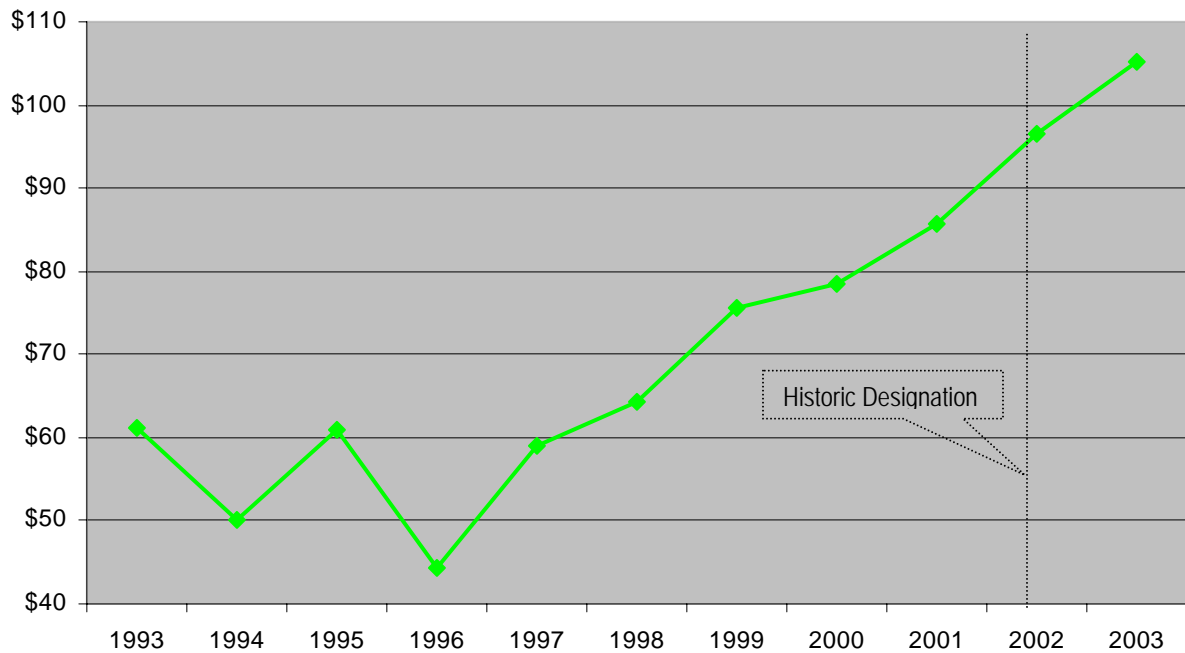
Table TH.14
MLS Average Sales Price Per Sq. Ft.*

Irish Channel Local Historic District		
Year	Price/Sq. Ft.	% Change
1993	\$61.23	
1994	\$49.99	-18.35%
1995	\$60.96	21.93%
1996	\$44.28	-27.36%
1997	\$59.07	33.40%
1998	\$64.26	8.80%
1999	\$75.55	17.56%
2000	\$78.55	3.97%
2001	\$85.70	9.10%
2002	\$96.58	12.70%
2003	\$105.12	8.83%
A.A.G. (1993-2003)	5.55%	
% Change (1993-2003)	71.67%	

Source: Multiple Listing Service(MLS); Bureau of Labor
Statistics Consumer Price Index; S. Leckert

*In 2003 Dollars

Chart TH.11
Irish Channel Historic District: Average MLS Sales Price/Sq. Ft.
 (in 2003 dollars)



Comparison Neighborhood

After being adjusted for inflation, the average sales price per square foot in the Comparison Neighborhood was \$55 in 1993, growing to \$123 in 2003. Average annual growth in average sales price per square foot was 8.37% during the study period, for a total growth of almost 125% (see *Table TH.15* and *Chart TH.12*).

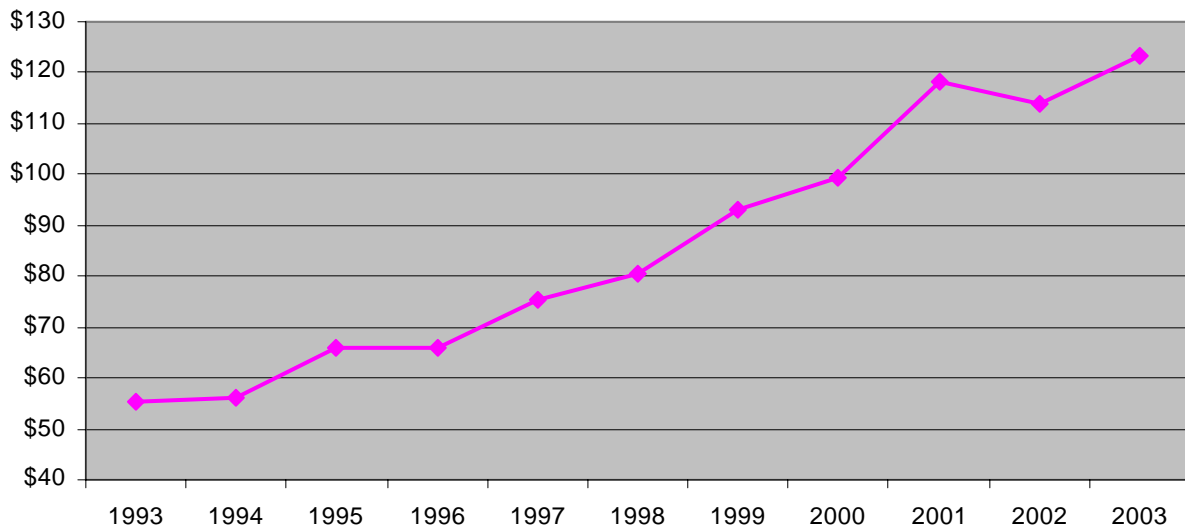
Table TH.15
MLS Average Sales Price Per Sq. Ft.*

Comparison Neighborhood		
Year	Price/Sq. Ft.	% Change
1993	\$55.15	
1994	\$56.11	1.74%
1995	\$65.84	17.32%
1996	\$66.05	0.32%
1997	\$75.37	14.11%
1998	\$80.39	6.66%
1999	\$92.95	15.63%
2000	\$99.16	6.68%
2001	\$118.36	19.35%
2002	\$114.06	-3.63%
2003	\$123.22	8.03%
A.A.G. (1993-2003)	8.37%	
% Change (1993-2003)	123.41%	

Source: Multiple Listing Service(MLS); Bureau of Labor
 Statistics Consumer Price Index; S. Leckert

*In 2003 dollars

Chart TH.12
Comparison Neighborhood: Average MLS Sales Price/Sq. Ft.
(In 2003 dollars)



All Areas Studied

After being adjusted for inflation, the average sales price per square foot in the City of New Orleans was \$59 in 1993, growing to \$113 in 2003. Average annual growth in average

sales price per square foot was 6.7% during the study period, for a total growth of almost 92%, as shown in *Table TH.16*.

Table TH.16
City of New Orleans: MLS Average Sales Price
Per Square Foot*

Year	Average Price/Sq.ft.	% change in price/sq.ft.
1993	\$59.38	
1994	\$57.75	-2.75%
1995	\$58.29	0.94%
1996	\$62.22	6.73%
1997	\$63.53	2.11%
1998	\$71.08	11.89%
1999	\$73.55	3.48%
2000	\$75.41	2.52%
2001	\$78.82	4.53%
2002	\$84.89	7.69%
2003	\$113.94	34.22%
A.A.G. (1993-2003)	6.7%	
% change (1993-2003)	91.9%	

Source: Multiple Listing Service; S. Leckert

*In 2003 Dollars

When compared to all areas studied, the City of New Orleans saw moderate growth in average sales price per square foot. During the study period the area which saw the slowest growth in average sales price per square foot was the Irish Channel, with growth of 5.55% annually, for 72% growth over ten years. The greatest growth occurred in the Comparison Neighborhood, with average annual growth of 8.37% and total growth of 123%, as demonstrated in *Table TH.17*.

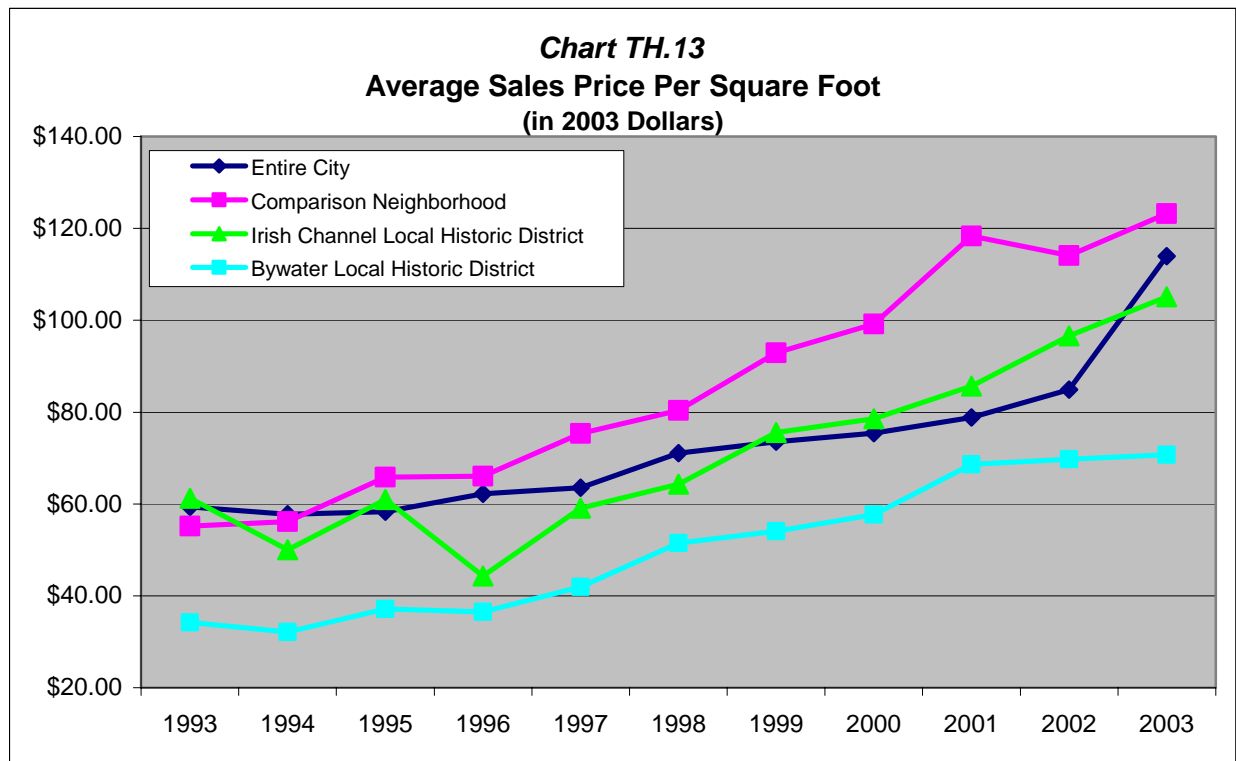
Table TH.17
All Areas Studied: MLS Average Sales Price/Sq. Ft.*

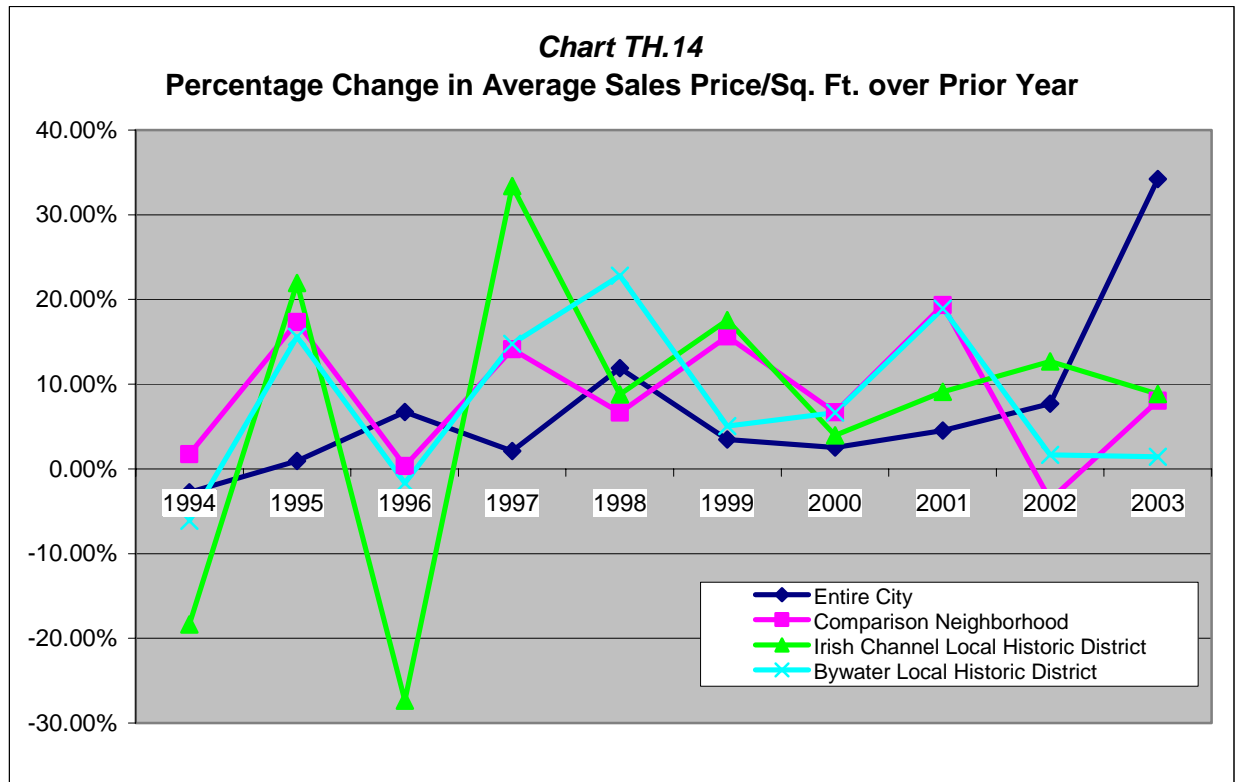
	Bywater	Irish Channel	Comparison Neighborhood	City of New Orleans
1993	\$34.23	\$61.23	\$55.15	\$59.38
2003	\$70.71	\$105.12	\$123.22	\$113.94
A.A.G. (1993-2003)	7.50%	5.55%	8.37%	6.70%
% Change (1993-2003)	106.60%	71.67%	123.41%	91.90%

*In 2003 Dollars

Source: Multiple Listing Service; Bureau of Labor Statistics; S. Leckert

In the first year of analysis, 1993, The average price per square foot (A.P.S.) for the city as a whole, the comparison neighborhood, and for the Irish Channel Local Historic District were all at approximately the same level, between \$55 and \$61. However, over the next ten year period, the going price per square foot in each of these study areas diverged. The comparison neighborhood's A.P.S. grew at the fastest rate, reaching a height of \$123 in 2003. With the exception of a drop in 1996, the A.P.S. for the Irish Channel Historic District climbed steadily during this period. During the period when growth in price per square foot was slowing for the city as a whole, both the Irish Channel and the Comparison Neighborhood experienced their greatest growth, as shown in *Charts TH.13 &14*.





However, these calculations can be misleading due to the dramatic increase in sales activity that occurred in 2003. With increased demand for home purchases, price per square foot rose. In order to control for this effect, the years 1992 and 2003 were eliminated from the analysis, as presented in *Table TH.18*. Analysis of these eight years of sales activity presented a somewhat different picture – growth in average price per square foot was the lowest for the City of New Orleans as a whole, while the highest in the Bywater. The Comparison Neighborhood and the Irish Channel saw similar average annual growth rates, of 9.3% and 8.6% respectively, as shown in *Table TH.18*.

Table TH.18
All Areas Studied: MLS Average Sales Price Per Square Foot Excluding Years
1993 and 2003*

	Bywater	Irish Channel	Comparison Neighborhood	City of New Orleans
1994	\$32.13	\$49.99	\$56.11	\$57.75
1995	\$37.14	\$60.96	\$65.84	\$58.29
1996	\$36.53	\$44.28	\$66.05	\$62.22
1997	\$41.92	\$59.07	\$75.37	\$63.53
1998	\$51.48	\$64.26	\$80.39	\$71.08
1999	\$54.08	\$75.55	\$92.95	\$73.55
2000	\$57.67	\$78.55	\$99.16	\$75.41
2001	\$68.59	\$85.70	\$118.36	\$78.82
2002	\$69.71	\$96.58	\$114.06	\$84.89
A.A.G. (1994-2002)	10.17%	8.58%	9.27%	4.93%
% Change (1994- 2002)	116.99%	93.19%	103.27%	47.00%

*In 2003 Dollars

Source: Multiple Listing Service; Bureau of Labor Statistics; S. Leckert

When the MLS categories of the French Quarter and Garden District are removed from analysis due to their predominantly historically designated and or protected properties (the Irish Channel Local Historic District is contained within the Garden District MLS listing), the following results (see *Table TH.19*).

Table TH.19
MLS Statistics: City of New Orleans (without French
Quarter & Garden District MLS)*

Year	Average Price/Sq.ft.	% change in price/sq.ft.
1993	\$54.72	
1994	\$52.73	-3.64%
1995	\$53.49	1.46%
1996	\$58.76	9.84%
1997	\$59.55	1.35%
1998	\$64.35	8.05%
1999	\$67.60	5.05%
2000	\$69.78	3.23%
2001	\$72.02	3.21%
2002	\$77.44	7.53%
2003	\$109.00	40.76%
A.A.G. (1993-2003)	7.14%	
% change (1993-2003)	99.21%	

* In 2003 dollars

Source: Multiple Listing Service; Bureau of Labor Statistics; S. Leckert

When these areas are removed from analysis, the sale price per square foot drops from \$114 to \$109.

Summary

In all, the Bywater Local Historic District saw the greatest increase in average property value over the study period, experiencing an average annual growth of 9.8%. However, the greatest increase in property value per square foot occurred in the Comparison Neighborhood. This not-yet historically designated neighborhood saw an average annual growth in price per square foot of 8.37%. The Irish Channel Local Historic District did not experience as much growth in price per square foot as did this neighborhood, and lagged behind the entire City of New Orleans by this measure. When property values throughout New Orleans were rising from an average of \$59 to \$114 per square foot, growing at 6.7% A.A.G., the Irish Channel's average sales price per square foot grew from \$61 to \$105, showing an average annual growth of approximately 5.6%. The more established historically designated neighborhood and the not-yet designated neighborhood benefited from greater rises in property values than did the newly designated historic district.

Chapter 7: Conclusions

The *Hypothesis*, “Within the City of New Orleans, historic district designation and protections have a positive or at least stabilizing impact on property values within the district as compared to the city as a whole” has not held entirely true. The results of this study are mixed, and no definite statement can be made regarding the impact of historic district designation on residential property values in New Orleans. Average sales prices grew faster in historic districts than for the city as a whole, but this was also true for the Comparison Neighborhood which does not fall under the protections of the Historic District Landmarks Commission. Average sales prices per square foot in the Comparison Neighborhood and in one historic district grew faster than for the city as a whole, but average prices per square foot grew slightly slower in the second historic district than for the city as a whole.

Limitations of the Study

Study Period

The slower than anticipated growth in property values in the Irish Channel Local Historic District can be misleading. The data studied was largely made up of sales in years prior to its historic designation, and do not reflect future property value increases that can be expected as a result of its designation. These early years before designation pull down the average sales prices for the Irish Channel, and are not truly reflective of an historic district – the historic district did not exist prior to 2002, yet the study included the years 1993-2003. The data for the Irish Channel is more reflective of the change in property values in anticipation of historic designation than for the effect of designation itself.

Other Variables

Property values are affected by a large number of variables, local historic designation being only one. Changes in crime rates, changes in demographics, revitalization trends in nearby areas, the presence or demolition of nearby public housing developments (such as St. Thomas Housing Development adjacent to the Irish Channel), and the opening of prestigious schools (such as the New Orleans Center for the Creative Arts adjacent to the Bywater) in an area all have effects on the perceived value of real estate in a given neighborhood. This study was limited to the effect of historic designation on real property values, and therefore did not address the effects of other such variables.

Areas for Future Research

Study Period

A study of property values in the Bywater over the ten years prior to designation would be useful in understanding the changes that have occurred in the Irish Channel, and would prove helpful in making projections for future value growth in that historic district. Further, a future analysis of these neighborhoods, of sales prices from 2003-2013, would more accurately assess the effect of historic designation on property values in the study areas.

Other Variables

A study of the effect of the presence of the St. Thomas Housing Development and subsequent redevelopment would help to paint a more complete picture of the change in property values in the Irish Channel. Certainly, property values in this area were positively affected by the closing of this public housing development. However, the extent of that positive effect is not known and a study of such could help in understanding the change in property values that has occurred in this neighborhood.

Statistical Testing

Statistical testing was not performed on the data used in this study. Future research could include the testing of study data to see if the differences in increases in property values (between historic and non-historic neighborhoods) are statistically significant.

Implications of Findings

The problem laid out in the *Introduction* of this study has been only partially solved. Those for and those against historic district protections now have data at their disposal to help explain the effects of designation. However, as the results of this study are mixed, either side can find support for their position within the data. It is hoped that this study will be only a starting point, or possibly serve as a guide map for further studies which could more accurately pinpoint the effect of local historic designation on real property values.

While the data presented is mixed, the limitations of the study period are at least partly to blame for the mixed results. From an intimate knowledge of the data, the author is confident that property values in locally designated historic districts in New Orleans will continue to rise, and will do so at a pace greater than for the city as a whole – that the next ten years for the Irish Channel will mimic the past ten years for the Bywater. Only future researchers can prove or disprove this hypothesis.

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Appendix

National Historic Preservation Act of 1966

The Congress finds and declares that - —

- (1) the spirit and direction of the Nation are founded upon and reflected in its historic heritage;
- (2) the historical and cultural foundations of the Nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people;
- (3) historic properties significant to the Nation's heritage are being lost or substantially altered, often inadvertently, with increasing frequency;
- (4) the preservation of this irreplaceable heritage is in the public interest so that its vital legacy of cultural, educational, aesthetic, inspirational, economic, and energy benefits will be maintained and enriched for future generations of Americans;
- (5) in the face of ever-increasing extensions of urban centers, highways, and residential, commercial, and industrial developments, the present governmental and nongovernmental historic preservation programs and activities are inadequate to insure future generations a genuine opportunity to appreciate and enjoy the rich heritage of our Nation;
- (6) the increased knowledge of our historic resources, the establishment of better means of identifying and administering them, and the encouragement of their preservation will improve the planning and execution of Federal and federally assisted projects and will assist economic growth and development; and
- (7) although the major burdens of historic preservation have been borne and major efforts initiated by private agencies and individuals, and both should continue to play a vital role, it is nevertheless necessary and appropriate for the Federal Government to accelerate its historic preservation programs and activities, to give maximum encouragement to agencies and individuals undertaking preservation by private means, and to assist State and local governments and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities.

2.
:

Section 2

[16 U.S.C. 470-1 — Declaration of policy of the Federal Government]

It shall be the policy of the Federal Government, in cooperation with other nations and in partnership with the States, local governments, Indian tribes, and private organizations and individuals to —

- (1) use measures, including financial and technical assistance, to foster conditions under which our

² National Historic Preservation Act of 1966, as amended through 2000. *16 U.S.C. 470. Section 2.*

modern society and our prehistoric and historic resources can exist in productive harmony and fulfill the social, economic, and other requirements of present and future generations;

- (2) provide leadership in the preservation of the prehistoric and historic resources of the United States and of the international community of nations and in the administration of the national preservation program in partnership with States, Indian tribes, Native Hawaiians, and local governments;
- (3) administer federally owned, administered, or controlled prehistoric and historic resources in a spirit of stewardship for the inspiration and benefit of present and future generations;
- (4) contribute to the preservation of nonfederally owned prehistoric and historic resources and give maximum encouragement to organizations and individuals undertaking preservation by private means;
- (5) encourage the public and private preservation and utilization of all usable elements of the Nation's historic built environment; and
- (6) assist State and local governments, Indian tribes and Native Hawaiian organizations and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities.

National Register Historic District

The National Register of Historic Places was created by the National Historic Preservation Act of 1966, in Title I, Section 101³:

TITLE I

Section 101

[16 U.S.C. 470a(a) — National Register of Historic Places, expansion and maintenance]

- (a) (1) (A) The Secretary of the Interior is authorized to expand and maintain a National Register of Historic Places composed of districts, sites, buildings, structures, and objects significant in American history, architecture, archaeology, engineering, and culture. Notwithstanding section 1125(c) of Title 15 [of the U.S. Code], buildings and structures on or eligible for inclusion on the National Register of Historic Places (either individually or as part of a historic district), or designated as an individual landmark or as a contributing building in a historic district by a unit of State or local government, may retain the name historically associated with the building or structure.

[National Historic Landmarks, designation]

(B) Properties meeting the criteria for National Historic Landmarks established pursuant to paragraph (2) shall be designated as "National Historic Landmarks" and included on the National Register, subject to the requirements of paragraph (6). All historic properties included on the National Register on December 12, 1980 [the date of enactment of the National Historic Preservation Act Amendments of 1980], shall be deemed to be included

³ National Historic Preservation Act of 1966, as amended through 2000. *16 U.S.C. 470. Title I, Section 101.*

on the National Register as of their initial listing for purposes of this Act. All historic properties listed in the Federal Register of February 6, 1979, as "National Historic Landmarks" or thereafter prior to the effective date of this Act are declared by Congress to be National historic Landmarks of national historic significance as of their initial listing as such in the Federal Register for purposes of this Act and the Act of August 21, 1935 (49 Stat.666) [16 U.S.C. 461 to 467]; except that in cases of National Historic Landmark districts for which no boundaries have been established, boundaries must first be published in the Federal Register.

Vieux Carre Commission

CHAPTER 7. VIEUX CARRE COMMISSION

Section 5-701. Composition.

There shall be a Vieux Carre Commission consisting of nine electors, domiciled in the City, appointed by the Mayor with the approval of the Council, for a term of four years, as provided by Article 14, Section 22A of the Louisiana Constitution of 1921, and retained by Article 6, Section 17 of the Louisiana Constitution of 1974. At least one Mayoral at-large appointment shall be domiciled within the area bounded by the Mississippi River, the downtown side of Iberville Street, the river side of North Rampart Street and the uptown side of Esplanade Avenue. In selecting persons for appointment to at-large positions on the Vieux Carre Commission, the Mayor shall take such steps as are necessary to ensure that persons from all areas of the City are given due consideration for such appointments.

Section 5-702. Functions.

The Commission shall:

- (1) Preserve those buildings in the Vieux Carre section of the City as defined by the Constitution, having an historical or architectural value.
- (2) Make such recommendations to the Council as it deems appropriate concerning measures for the preservation of the Vieux Carre.

Section 5-703. Enforcement.

The Council shall by ordinance or otherwise carry into effect provisions of the Constitution and this chapter relating to the Vieux Carre section and shall provide for the enforcement of such provisions by appropriate legal proceedings including resort to injunctive process.

Local Historic District Authority

Legality of Historic Districts, and the Tout Ensemble

Historic preservation programs are often coming under fire. Fortunately, the case law supporting the legality of historic districts is extensive. When studying the City of New Orleans specifically, the case law is even more compelling.

When it comes to the regulation of historic districts, the court cases concerning the Vieux Carre section of the City of New Orleans have set many of the precedents for others to follow. In particular, the permissible vagueness of the “tout ensemble” is one such precedent. By strict translation from the French, “tout ensemble” means “all body”. Merriam-Webster defines the term as “all together” or “general effect”. When Chief Justice O’Niell of the Louisiana Supreme Court used the term in the Court’s Opinion following *City of New Orleans v. Pergament*, it took on an even greater meaning in the real world. Solidifying the authority of the Vieux Carre Commission with regard to the protection of its “quaint and distinctive character”⁴ required not only legislation, but many years of legal tests.

To fully understand the legal use of the term, “tout ensemble”, and its implications, a quick overview of a few legislative acts and relevant court cases is necessary. In 1936, the State of Louisiana amended its Constitution in order to create the Vieux Carre Commission (VCC) to oversee the Vieux Carre, or French Quarter of New Orleans. The amendment enabled the creation of the VCC “in order that the quaint and distinctive character of the Vieux Carre section of the City of New Orleans may not be injuriously affected, and in order that the value to the community of those buildings having architectural and historical worth may not be impaired, and in order that a reasonable degree of control may be exercised over the architecture of private and semi-public buildings erected on or abutting the public streets of said Vieux Carre section, whenever any application is made for a permit for the erection of any new . . .”⁵ Shortly thereafter, on November 3, 1936⁶, the City of New Orleans officially created the Vieux Carre Commission. At this time, Charleston, SC had the only other historic district in the United States, and both states were treading on new ground. Not surprisingly, property owners in the French Quarter began to challenge the legality of the new regulations of their property.

The first such case of significance was *City of New Orleans v. Impastato*.⁷ The *Impastato* case was filed by a business owner who installed a lavatory within the courtyard of his building without seeking or obtaining the approval of the Vieux Carre Commission. Once the lavatory was installed, the property owner was cited for violation of the Ordinance, after which he sued the City of New Orleans. This case made its way to the Louisiana Supreme Court and was decided on June 30, 1941. The Court examined the Ordinance and the VCC’s jurisdiction over the “exterior, including the front, sides, rear and roof”.⁸ In the Opinion of the Court, Justice McCaleb wrote, “The word ‘exterior’, as applied to a building, clearly means all of the outer surfaces thereof as distinguished from its interior or the portion enclosed by the outer surfaces.”⁹ In short, the VCC was now granted control over any and all exterior building surfaces, visible to the public or not, while the Court also implicitly upheld the constitutionality of the Ordinance.

Very shortly after deciding the *Impastato* case, the Louisiana Supreme Court heard *City of New Orleans v. Pergament*¹⁰. This case, ruled on November 3, 1941, concerned the owner of

⁴ Louisiana State Constitution, Section 22A of Article 14.

⁵ Louisiana State Constitution, Section 22A of Article 14.

⁶ City of New Orleans Ordinance No. 14,538 C.C.S. and later amended by Ordinance No. 15,085 C.C.S.

⁷ City of New Orleans v. Impastato at 3 So.2d 559

⁸ City of New Orleans Ordinance No. 14,538 C.C.S. and later amended by Ordinance No. 15,085 C.C.S.

⁹ City of New Orleans v. Impastato, at 3 So.2d 559.

¹⁰ City of New Orleans v. Pergament, at 5 So.2d 129.

a gas station within the Vieux Carre and a sign that he erected outside his business. The Ordinance forbid the “erection or maintenance of an advertising sign in the Vieux Carre without first obtaining a permit from the commission”¹¹, yet the gas station owner put up a very large sign without adhering to these procedures. In court, the business owner contended that “his place of business, being a modern structure, having no architectural or historical worth, [was] not subject to the provisions of the constitutional amendment.”¹² Chief Justice O’Niell’s response was to rule that, “The purpose of the ordinance is not only to preserve the old buildings themselves, but to preserve the antiquity of the whole French and Spanish Quarter, the **tout ensemble**, so to speak, by defending this relic against iconoclasm or vandalism” (boldface added).¹³ In the Opinion of the Court, the Chief Justice established a much broader and all encompassing jurisdiction for the Vieux Carre Commission. No longer was the Commission’s authority to be restricted to individual buildings, but it was extended to protect the “tout ensemble”, some sort of general feel or effect of the historic district. The VCC was given great latitude by this ruling.

The 1953 Louisiana Supreme Court Case of *City of New Orleans v. Levy*¹⁴ questioned the legality of the vagueness of the Vieux Carre Commission’s authority. The plaintiff had asserted that “the ordinance contravenes constitutional rights in that it is vague and indefinite and without adequate standards, thereby failing to inform an accused of the nature and cause of alleged violations, he especially directing attention to the use of the words ‘architectural and historical,’ ‘quaint and distinctive,’ and ‘theatres.’”¹⁵ The Court did not agree, stating that the “words likewise are not vague, and they constitute adequate standards when read in context.”¹⁶ The Court further backed up their Pergament decision and defended the protection of aesthetics as a valid use of the police power. The police power, the governing body’s authority to protect the health, safety, and welfare of its citizens, was extended further as the preservation of the Vieux Carre as it was deemed essential for its commercial value – as a tourist destination and an economic development tool. By protecting the “quaint and distinctive character”, the Commission was protecting the economic well being of the people of New Orleans.

The final nail in the coffin, the final establishment of the broad authority of the Vieux Carre Commission, came with *Maher v. City of New Orleans*.¹⁷ This case was surrounding the application of Maher to demolish his building located at 818-820 Dumaine St. in order to erect a seven-unit apartment complex. His application was a controversial one; it received approval from the Architectural Review Committee, then went to the VCC where it was denied on numerous occasions before it was finally approved. The City Council then took up the matter, and overruled the VCC – denying the demolition permit to Maher. Maher sued the City in District Court, which overturned the denial of the Council. The case subsequently went to the Appeals Court, the Louisiana Supreme Court, and finally to the Fifth Circuit Court of Appeals. All three of the higher courts upheld the Council’s denial of the permit and overruling of the Vieux Carre Commission’s decision. It was established once and for all that the VCC’s

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ *City of New Orleans v. Levy*, at 64 So.2d 798.

¹⁵ *City of New Orleans v. Levy*, at 64 So.2d 798.

¹⁶ *City of New Orleans v. Levy*, at 64 So.2d 798.

¹⁷ *Maher v. City of New Orleans*, at 516F.2d 1051.

decisions could be appropriately appealed to the City Council, while the validity of the Ordinance itself was even more fervently upheld. The rulings handed down in this case cleared up any constitutional problems associated with this historic district ordinance: the Ordinance does not violate the due process clause of the Fourteenth Amendment, and it does not amount to a taking in violation of the Fifth Amendment. Many critics of the Ordinance believed that the vagueness of the VCC's standards for review were in violation of the due process clause, but the Fifth Circuit stated that "guidelines to aid a commission charged with implementing a public zoning purpose need not be so rigidly drawn as to prejudge the outcome in each case, precluding reasonable administrative discretion,"¹⁸ and that "While concerns of aesthetic or historical preservation do not admit to precise quantification, certain firm steps have been undertaken here to assure that the Commission would not be adrift to act without standards in an impermissible fashion."¹⁹ Further, the Fifth Circuit stated that "where possible, the ordinance is precise . . . defining what alterations in which locations require approval, and particularly regulating items of special interest".²⁰ In its decision, the Court has upheld the authority of the VCC and its broad jurisdiction over the protection of the "tout ensemble".

The Actions Historic District Commissions

Generally, historic districts and landmarks earmarked for preservation are regulated by citizen commissions as part of local government. In many cities, these commissions are within the planning department, but in others the commissions are separate or contained within another department. As there is no one set way for a municipality to govern itself, there is no one set way for historic preservation to be handled.

The purpose of this section is to explore the regulation of historic districts and landmarks by the following municipalities: New Orleans, LA, Chicago, IL, Atlanta, GA, and Pittsburgh, PA. The City of New Orleans was chosen for study for the following reasons: 1) it is the city within which the author resides; 2) this essay is for submittal to the University of New Orleans; and 3) New Orleans is commonly regarded as a leader in historic preservation. The remaining cities were selected, in part, because of frequent, popular comparisons made of them to the City of New Orleans. In the last few years, MetroVision, the economic development arm of the New Orleans Regional Chamber of Commerce, has brought groups of city leaders to Atlanta and Chicago for comparison study and dialogue. The author believes this paper a perfect opportunity to analyze how these economically viable cities manage their historic districts. Pittsburgh, PA was chosen for study due to its exemplary reputation within the preservation movement. Pittsburgh is often praised for its preservation efforts by planning journals, the National Trust for Historic Preservation, and by UNO professors. In addition, Pittsburgh is of comparable size to New Orleans (see *Table A.1* below).

¹⁸ Maher v. City of New Orleans, at 516F.2d 1051.

¹⁹ Maher v. City of New Orleans, at 516F.2d 1051.

²⁰ Maher v. City of New Orleans, at 516F.2d 1051.

Table A.1
2000 Total Population Statistics

City	Population
New Orleans, LA	484,674
Atlanta, GA	416,474
Chicago, IL	2,896,016
Pittsburgh, PA	334,563

Source: US Bureau of the Census, Census 2000, Summary File 1 (SF-1)100 Percent Data

The first local historic district in the United States was established in Charleston, South Carolina in 1931 (Tyler, 59). Shortly thereafter, in 1936, the Vieux Carré section of New Orleans was established by the Louisiana State Legislature as the second historic district. While the States of Louisiana and South Carolina recognized the preservation of these areas as essential, it was not until 1966 that the rest of the country really awakened to the need for preservation of the built environment. In 1966, the National Historic Preservation Act was passed, and the following were included in the National Trust for Historic Preservation's recommendations for action:

1. A comprehensive survey of historically and architecturally significant buildings, sites, structures, districts, and objects, and their inclusion in a National Register.
2. A partnership of federal, state, and local governments to deal specifically with preservation, including the establishment of a national advisory council on historic preservation and the designation of preservation officers in every state.
3. A program of financial incentives for preservation to balance the incentives already available for new construction.

From this point forward, every state in the nation had a State Historic Preservation Office, and local historic districts began to be established. But, while states had the Model Standard Planning Enabling Act of 1926 to guide them, there was no such document with regard to the laws of historic preservation.

Generally, the strongest protection for historic places is found in preservation ordinances enacted by local governments. According to the National Trust for Historic Preservation:

Preservation ordinances are local laws through which historic property owners are usually prohibited from altering or demolishing their property without local government approval. Most ordinances limit changes affecting the exterior of a structure, leaving property owners free to modify interiors as they wish. An ordinance can protect individual landmarks, entire areas known as historic districts, or both individual landmarks and districts. Historic district ordinances typically regulate the design of new construction as well, to ensure a new building's compatibility with its older neighbors. The power to regulate private

property through land-use laws is one of the powers exercised by states under their “police-power” authority. The states have generally delegated these powers to cities and towns, and every state except Wyoming has empowered local governments to regulate development affecting historic sites (Landmark Yellow Pages, 65).

The National Trust for Historic Preservation’s Landmark Yellow Pages advises that “local preservation ordinances must comply with all four of the following cardinal rules of land-use law:

1. An ordinance must promote a valid public purpose; that is, it must somehow advance the public health, safety, morals, or general welfare.
2. An ordinance must not be so restrictive as to deprive a property owner of all reasonable economic use of his property.
3. An ordinance must honor a citizen’s constitutional right to due process. In other words, fair hearings must be provided and rational procedures must be followed in an ordinance’s administration.
4. An ordinance must comply with relevant state laws (Landmark Yellow Pages, 65)

Accordingly, “some entity within local government must be charged with administering the ordinance. Usually this is a preservation or design commission composed of local citizens”, generally with qualifications appropriate to the post (Landmark Yellow Pages, 66). “The ordinance should be predictable in its application by the review agency. Clear and direct criteria and standards should be used so property owners can be fairly certain of how to gain approval when they apply to make changes” (Tyler).

As necessary as preservation of the built environment is, it is often found to be in conflict with economic development. The processes through which historic property owners must go with regard to alterations to their property are sometimes considered a hindrance to development. Unpredictability of decisions made by commissions, uneven enforcement of the ordinance, unclear guidelines, and incompatibility with the city’s zoning code are among the criticisms voiced against historic district and landmark commissions. According to Tyler, the “review process . . . should be efficient, predictable, and integrated into the normal review of other city agencies.”

For my analysis of the preservation commissions of Atlanta, Chicago, New Orleans, and Pittsburgh, I utilized public documents (city codes, ordinances, departmental pamphlets), city websites, a survey conducted by the National Alliance of Preservation Commissions in 1997, and e-mail responses from the heads of the preservation commissions. I have focused my research on the following questions:

1. Is preservation handled by an independent department? Or within another?

2. Is the preservation ordinance contained in the zoning ordinance or city code?
3. How many historic districts are governed by the commission?
4. What representatives of local government are on the commission?
6. What is the commission's design review process?

Is Preservation Handled by and Independent Department? Or within another?

The City of Atlanta's preservation ordinance is administered by the Atlanta Urban Design Commission (AUDC), an independent department within City government. The AUDC is a City Agency and is "charged with the responsibility for nominating and regulating historic buildings and districts for the City of Atlanta." The Atlanta Urban Design Commission is not part of the City's planning department, The Department of Planning, Development & Neighborhood Conservation, but rather is an independent agency. According to the staff members surveyed, "this was done to guarantee the Commission's right to disagree with the Department of PD&NC, as opposed to being co-opted by" them. The staff of the two commissions do, however, work together on many items. One example provided by the staff was that "the Commission (AUDC) Staff prepares the Historic Resources Section of the Comprehensive Development Plan", and "when the bureau of Planning is working on anything that would have an impact on a designated building or district, the Commission Staff is routinely consulted" (Atlanta Response).

In Chicago, historic landmarks are under the jurisdiction of The Commission on Chicago Landmarks. "The Commission on Chicago Landmarks was established by the Chicago City Council in 1968 as a freestanding agency, but was merged with the City's economic development and planning departments in the early 1990s to form the Department of Planning and Development." According to the Commission's staff, as a result of the merger, "preservation issues are more integral to the City's economic development and planning activities, and the City's economic development incentives are utilized to advance historic preservation initiatives" (Chicago Response).

In New Orleans, historic districts and landmarks are regulated by the Historic District Landmarks Commission, the Central Business District Commission, and the Vieux Carré Commission. The Vieux Carré Commission (VCC) is a separate department of City government, created in 1936 by an amendment to the Louisiana State Constitution, and it has jurisdiction only over the "French Quarter" or "Vieux Carré" of New Orleans. The Historic District Landmarks Commission (HDLC) has jurisdiction over all historically designated buildings and historic districts in New Orleans, with the exceptions of those located in the Central Business District (governed by its own commission), and those of the Vieux Carré. The Central Business District Commission is staffed by the HDLC, but remains a separate commission. All of New Orleans' historic preservation commissions are separate from the City Planning Commission, but they do often provide comments to the Planning Commission with regard to proposals affecting historic properties.

Pittsburgh, according to the staff of its Historic Review Commission, “has had a historic preservation ordinance since 1979”, and that ordinance was revised in 1997. The ordinance established the Pittsburgh Historic Review Commission (HRC), which is staffed through the Department of City Planning. The staff of the HRC consists of one full-time historic preservation planner, and one part-time administrative assistant – both within the offices of City Planning (Pittsburgh Response).

Is the preservation ordinance contained in the city’s zoning ordinance or city code?

Atlanta’s Historic Preservation Ordinance is contained in the Zoning Code for the City, as a separate chapter (Atlanta Response). The City of Chicago’s Landmarks Ordinance is part of the city’s municipal code. Both New Orleans’ and Pittsburgh’s preservation ordinances are contained within their municipal code, as separate chapters. The code governing the Pittsburgh Historic Review Commission is very easy to find on the City’s website, and is easily accessed. Unfortunately, those of the City of New Orleans are not so. Links to the ordinances which created the Vieux Carré Commission, Historic District Landmarks Commission, and Central Business District Commission have, for over two months, been either inaccessible, on illegible. Those researching these ordinances and the powers of their Commissions encounter many hurdles.

How many historic districts are governed by the commission?

The Atlanta Urban Design Commission has control of 45 Landmark Buildings/Sites, 8 Historic Buildings/Sites, 7 Landmark Districts, 4 Historic Districts, 1 Conservation District, and 1 Honorary Landmark. The Commission on Chicago Landmarks “oversees about 5,000 designated properties” (Chicago Response), while the New Orleans Historic District Landmarks Commission oversees 9 Historic Districts, and numerous historic structures. Similarly, the Central Business District Commission of New Orleans has control of 4 Historic Districts, with numerous individually designated buildings within the CBD. The Vieux Carré Commission, as its name implies, has jurisdiction over the structures in that section of New Orleans. The City of Pittsburgh has 11 Historic Districts, 1 Historic Site, and 68 designated Historic Landmarks.

What representatives of local government are on the commission?

Of particular interest to the author, was the discovery that two of the cities studied, Chicago and Pittsburgh, have members of the local government on their preservation commission. The Department Head of Chicago’s Department of Planning and Development is a participating and voting member of the Commission on Chicago Landmarks. This inclusion helps to ensure continuity of the historic preservation, economic development, and the overall planning practices of the City. The Pittsburgh Historic Review Commission contains two city department heads – the Director of City Planning and the Chief of Building Inspection. Again, this commission can more effectively handle the matters before it because other involved departments are included in the historic review process.

What is the commission’s design review process?

The design review process is one which has garnered much criticism in the City of New Orleans. Property owners and developers often complain that the processes currently in place hinder the economic development of the City. According to many critics, predictability of

decisions, and an ease of application procedures are desperately needed within New Orleans' historic preservation commissions.

Of particular interest are the manners in which the economically viable cities of Atlanta, Chicago, and Pittsburgh handle design review. In Atlanta, the AUDC must issue a "Certificate of Appropriateness before a building permit can be issued for changes to the exterior of any individually designated building, or any building in a designated district" (AUDC pamphlet). To un-complicate matters for property owners and developers, the AUDC has created different levels of applications: Type I, II, III, or IV. Upon receiving the application materials, the Commission Staff determines what type of Certificate of Appropriateness is needed. A Type I application is for ordinary repairs and maintenance, and can be processed by the staff. Type II, III, and IV applications are submitted to the Design Commission, and staff reports are prepared which "review the application for compliance with the City's Historic Preservation Ordinance and the specific district regulations which apply" (AUDC pamphlet). The Commission reviews these applications at a public meeting, adhering to parliamentary procedure.

The City of Chicago has, by the author's estimation, given the most consideration to property owners' and developers' concerns. The Commission on Chicago Landmarks does not issue Certificates of Appropriateness in reviewing projects; "instead, its review is tied to the Department of Buildings permit review process. The Commission has a standing committee that gives conceptual approvals before applicants submit to the building permit process; the staff reviews at least 90% of all permits" (Chicago Response). In addition to allowing many project review decisions to be handled administratively, the City of Chicago mandates a rapid response time, as well as collusion with other city departments. The Chicago Landmarks Ordinance reads:

What this means for the City of Chicago is that developers and citizens alike can effectively and efficiently bring proposals before the Commission. This process heavily involves the property owner and is conducted in a timely, straightforward manner. Procedures such as these help to prevent the common complaint of New Orleans' developers – that the Commissions' (VCC, HDLC, CBDC) decisions are unpredictable, arbitrary, and capricious. Further, by the Commission having the final say-so on all but demolition permits, citizens and planners alike are not broad-sided by an inconsistent City Council vote.

Within the Pittsburgh Historic Review Commission, the "staff is authorized to issue administrative approvals for routine repairs and maintenance, restorations based on documentary evidence, and other projects which conform to the Commission's own guidelines for its historic districts and landmarks; all other applications, including all proposals for demolition or new construction or anything that would change a building's original materials or appearance, are reviewed by the Commission at a public hearing" (Pittsburgh Response).

Local review committees give the citizens of historic districts a voice in design considerations and application review, but do not amount to an unconstitutional vote (a segment of the population may not, by vote or consensus, approve or disapprove land use and work applications for a corresponding segment of a city). The City of New Orleans obviously had ideas like this in mind when, in the drafting of its ordinances, it required a resident of every district under its jurisdiction to be on the overseeing Commission. The process adhered to by

Pittsburgh, however, seems to be more effective and less politically charged. The Historic Review Commission can feel confident that the area residents will not object to certain applications since the area guidelines already address their concerns. In general, “the Historic Review Commission attempts as much as possible to accommodate the needs and limitations of the individual property owners, and to arrive at a mutually acceptable decision in a spirit of cooperation” (Pittsburgh pamphlet).

The Ordinances under which New Orleans’ Vieux Carré Commission, Historic District Landmarks Commission, and Central Business District Commission operate are vague, making the application and review process generally difficult for developers and property owners. Unlike Chicago, the City of New Orleans’ processes are unpredictable and not set to a timetable. The vagueness and wide latitude of historic preservation ordinances have withstood “due process” and “takings” assaults (*Maher v. City of New Orleans*). But, while vague language is acceptable in a legal sense, it is unacceptable in terms of economic development. Developers must leave to hope and guessing when and whether their particular project will be approved or disapproved. The guidelines adhered to by the HDLC read, “most applications for major alterations or additions require public hearings before the Commission after first being reviewed by the Architectural Review Committee.” It is nearly impossible for the property owner to know in advance whether or not his or her application will be considered “major”, and whether he or she will have to go through the public hearing process. Of additional concern is the difficulty of the application process for property owners. The guidelines are also unclear as to which office applications should originate in (City Planning, Safety and Permits, or a historic commission). The HDLC Ordinance reads:

Applications Before Other City Agencies

. . . All proposals for work on a property under the geographic jurisdiction of the Commission must conform to the local Zoning Ordinance and all other applicable codes. Applications for exceptions to the Zoning Ordinance or other codes may be made concurrently with an HDLC Work Application in order to reduce the time involved in the permitting process. The Commission works with other branches of City Government to coordinate approvals involving uses, zoning, appearance and other regulated items. The Certificate of Appropriateness issued for the work approved by the Commission must be presented to the Department of Safety and Permits when applying for a Building Permit. The Commission often provides comments to the Board of Zoning Adjustments, the City Planning Commission and/or the City Council when appropriate.

Unlike Chicago, the property owner or developer is responsible for making sure the proper agencies are involved. In Chicago, the law mandates that applications received by other departments be copied to the Commission on Chicago Landmarks; the lay person does not have to become an expert on city procedures in order to get proposals pushed through the proper channels, but can rely on City agencies to work together to help projects become realized. Another hurdle for New Orleans’ property owners is with regard to the different levels of scrutiny to which applications are put:

Rules and Procedures – Application Process

Before the commencement of any exterior work for the erection of a new construction or the alteration, demolition or reconstruction of any building located in an Historic District or on a Landmark or Landmark Site, whether or not a building permit is required by the Department of Safety and Permits, the applicant shall first apply to the Commission and receive a Certificate of Appropriateness. The application for a Certificate of Appropriateness is as follows:

2. Upon receipt of such application, the Commission staff shall analyze the work proposed to be done. Certificates of Appropriateness shall be issued or denied by the New Orleans Historic District Landmarks Commission after public hearing.

a. On blue, green, red and gold rated buildings, the staff may approve structural or architectural modifications, such as siding, window openings, sash; and the replacement of applied architectural details, such as brackets, cornices, railings, provided that:

i. The staff determines and indicates on the Certificate of Appropriateness that the modifications comply with the Standards adopted by the Commission.

Property owners and developers often complain that the differentiation in requirements for buildings within a historic district make the application and approval process unduly confusing and cumbersome. Additionally, the Commission Standards are not specific enough, and are often waived – citizens cannot with any certainty predict what the Commission’s decision will be on a particular project.

At this point in the history of New Orleans, the City is ready for change. The lagging local economy has taken a toll on all of its citizens, and “economic development” has become a buzz-word. Balancing economic development with historic preservation concerns is not an easy task. Nearly everyone can agree that the City’s rich cultural and built environment are its greatest assets. But while New Orleans garnered the praise of the preservation community in the last century, it has now fallen behind. The unpredictability and inflexibility of its preservation commissions with regard to economic development have hurt the reputation of the commissions, and have hurt the City. For the City of New Orleans to move forward, the City Government must balance the City’s need for economic development with its responsibility to preserve its historical features. Preservation of the built environment is necessary, but it does not necessarily have to be a burden on development and the changing needs of a municipality. As this analysis of the preservation commissions of Atlanta, Chicago, and Pittsburgh has shown, economically viable cities can effectively preserve the built environment while not alienating business, development, and individual property owners. Efforts should be made to incorporate some of these cities’ innovations, such as the Atlanta Urban Design Commission’s tiered approach to Certificate of Appropriateness applications, the Local Review Committees of Pittsburgh’s Historic Review Committee, and The Commission on Chicago Landmarks’ quick and efficient handling of applications before it.

Gentrification

Gentrification is generally a two-sided issue. Those in favor of these changes made in inner-city neighborhoods are often of the middle- and upper-classes, while those opposed are often the poor. Issues of class and power inevitably play into this argument. The gentry, the young upwardly mobile couple buying a home at a rock bottom price to renovate it, see themselves as saviors of a neighborhood riddled with crime and plagued by a decaying housing stock. This view follows that a potentially viable neighborhood has been the victim, and that reinvestment along with a change in the resident makeup will “bring the neighborhood up”. Those opposed to this change are the current, poor residents. While they will admit to the general decay of the neighborhood, and of the need for change, they do not wish to leave their homes. Because the majority of those adversely affected by gentrification are not homeowners, and they do not benefit from rising property values but are harmed by the succeeding rise in rent charged. These poor residents feel as though they are being pushed out by policies allowing for and encouraging gentrification, that they are powerless because of their income and class status. The gentry are considered to be potentially powerful as they are generally from middle- to upper-income families, and are on their way to further financial successes. Gentry are often more educated, and participate in the intellectual discussion and policy making at a much higher rate than those whom they are displacing.

The issues of powerlessness are also echoed in discussions of policy towards Native Americans. Groups of people were pushed out of their homes, and their land taken from them because it was recognized by Europeans and Americans as being of great value. The losers of gentrification, the urban poor, have been pushed out of their homes and the land taken from them because it has been recognized by the gentry as being of great value. The concerns of Native Americans were not given credence by the American government; this is one of the same concerns voiced by opponents of gentrification.

Gentrification is an issue largely ignored by the media. Popular ideology, the underlying beliefs and organized thought of the populus, insists that redevelopment of poor, delapidated neighborhoods is always good. The idea that anyone loses in this scenario is barely on the radar of the mass media. The stories of neighborhood changes as such are mostly run as positive pieces – painting a picture of how the city is “getting better”. Only recently, in cases like the St. Thomas Redevelopment Project, have the voices of the displaced been represented through media sources. This, in turn, has caught the attention of some politicians. In the case of the St. Thomas project, city councilmen have spoken out, yet not gone the extra step of making the plight of the former residents a platform issue.

As the issue stands now, there are winners and losers that result from gentrification. The definite winners are the gentry. The gentry benefit from lower housing prices as compared to their traditional middle-and upper-income neighborhoods, and from the personal satisfaction of contributing to “bringing the neighborhood up”. The contractors performing much of the renovation work, and the banks making relatively low-risk loans benefit as well. The losers are the poor families who have never been able to scrape up enough money to buy their own home, but have enjoyed the social networks and general accessibility of their inner-city neighborhoods.

The small businesses in the area lose out as well when their employees and customers must move away and conduct their daily business close to their new homes. Alternatively, with the entrance of new residents, new businesses to suit their needs pop up. Very little of the literature reviewed speaks to possible benefits the displaced persons enjoy as a result of their move, but there certainly must be some. Further study will hopefully shed light on the real winners and losers of this game while pointing us in the direction of the path for the greatest good.

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Vita

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Ms. Leckert and her husband, Brad, live in the Irish Channel of New Orleans in a circa 1844 creole cottage. She has lived the large part of her life in the states of Louisiana and Texas, but now calls New Orleans her home.